

Germany: Estimated Meat Balance, 1941-42

Supply		1,000 Short Tons	Requirements	1,000 Short Tons
Carryover, August 1941.....	:	290	: Rations for old Reich population,	:
	:		: all German soldiers, prisoners of	:
	:		: war and foreign workers.....	: 2,845
Domestic Production 1941-42:	:		: Deficit: Austria, Czechoslovakia	:
Currently produced from feed-	:		: & other.....	: 250
stuffs fed in 1941-42.....	:	2,500		: 3,095
Imports & Requisitions 1941-42	:			:
Denmark 225	:		Carryover, August 1942.....	: 180
Netherlands 40	:			:
Danube Countries 125	:			:
Other Countries 40	:			:
	:	430		:
Supply of fats in sausages &	:			:
other charcuteries sold as	:			:
meat.....	:	55		:
	:			:
	:	3,275		: 3,275
	:			:
Carryover, August 1942	:	180		:

*Assuming continuation of reduced rations instituted on June 1, 1941

Germany: Estimated Fats and Oils Balance, 1941-42

Supply		: 1,000 : :Short Tons:	Requirements		: 1,000 : :Short Tons
Carryover August 1941		: 180	Rations for Old Reich population,		
Domestic Production 1941-42.....		: 1,000	: all German soldiers, prisoners of		
Imports & Requisitions 1941-42			war and foreign workers.....		: 1,580
Lard and fatbacks	50		Deficit: Austria, Czechoslovakia,		
Butter:			& others.....		: 120
Denmark	60		Supply of fats for sausages and		
Other Countries	<u>25</u>	85	other charcuteries consumed as		
			mest.....		: <u>55</u>
Margarine (from im-					: 1,755
ported oilseeds)	65		Deficit, August 1942....		: 265
Edible oils (olive oil					
from Italy, Spain, &					
Turkey)	<u>110</u>	310			
		: 1,490			: 1,490

Deficit, August 1942

265

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Coordinator of Information

Monograph No. 3

THE GERMAN MILITARY AND ECONOMIC
POSITION

Summary and Conclusion

December 12, 1941

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THE MILITARY AND ECONOMIC POSITION OF GERMANY, DECEMBER 1941

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THE GERMAN MILITARY AND ECONOMIC POSITION, DECEMBER 1941
Summary and Conclusion

A. GERMAN MILITARY POSITION

Upon the outbreak of hostilities, in 1939, the German armed forces totaled about 2 million men. In June 1941 they totaled 9 million, of whom about half have been engaged on the Eastern front. A tentative estimate places German battle casualties in the war against Russia at 1,500,000 to December 10. To some extent these losses have been filled by new recruits. The following table summarizes the limited available data on the German position with respect to material.

	<i>On Hand, June 1941</i>	<i>Production Rate (Monthly)</i>	<i>Estimated Losses (June-Dec., 1941)</i>
Airplanes (combat)	24,000	1,960	4,500
Tanks	30,000	1,000-1,700	No estimate
Artillery - A.A.	9,000	150	" "
Other	13,500	235	" "
Trucks	No estimate	10,000	" "

The most serious consequences of the Russian war for the German position have been the following:

1. Manpower losses, especially within the age group 21-28.
2. The strain on transport, especially the railways.
3. The reduction of petroleum stocks, as a result of the high military consumption rate on the Eastern front.

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B. GERMAN ECONOMIC POSITION

Prior to June 1941 the German industrial machine exhibited few signs of strain, having been bolstered by the stocks and resources acquired in the campaigns of 1940. These minimized the consequences of the Allied blockade.

The large scale and prolonged operations in the East, however, have evoked three types of strain on the German economic system. First, pressure on total manpower and transport resources has been measurably increased, causing further incursions into the supply of civilian goods and services and some net decrease in the efficiency of the industrial machine. Second, the continuance of the war at its present level of intensity has accentuated the problem of depreciation, with respect to the railways, industrial equipment, and durable consumer's goods. Third, the large demands of the present campaign have exposed and accentuated certain specific German weaknesses:

1. The further withdrawal of manpower of military age, from agriculture and industry, has necessitated the substitution of less efficient over-age workers, women, foreigners, and war prisoners. In addition to this general dilution of the labor supply, shortages exist for special types of workers, notably industrial technicians.
2. The large foodstuff demands of the Army have accentuated somewhat the underlying German weaknesses with respect to meats, fats, and oils; although the consequences of that weakness will be greater in 1942-43 than in the current harvest year.

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3. The necessity for maintaining military production at a maximum level has caused withdrawals from stockpiles in the following instances: tin, copper, antimony, and the steel-hardening alloys taken as a whole.
4. The current rate of petroleum consumption is being maintained out of stocks; and there is some evidence, although the data are inadequate, that the petroleum stock-pile may be exhausted within the year 1942.
5. The present transport situation has caused local shortages in civilian and some industrial supplies. The present strain would be markedly accentuated if the current winter is severe, and the internal water-ways frozen for prolonged periods.
6. German morale has been somewhat impaired by the prolongation of the Russian war. Heavy manpower losses and the increasing remoteness of ultimate victory have necessitated a defensive shift in the nature of official German propaganda.

C. CONCLUSIONS

The data are inadequate to assess these weaknesses fully.

The following tentative conclusions, however, appear justified:

1. The strains induced by the Russian war have reduced the absolute strength of the German military machine and economic machine; and further limited the supplies at the disposal of civilians.

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2. An accretion of new raw material stocks or resources, and a period of respite from continued military operations on the present scale are required if existing strains are not to become progressively more serious.
3. If this view is correct it seems likely that German military action in the coming months may be designed to acquire a maximum accretion to raw material stocks and resources at a minimum expenditure of manpower, transport, and petroleum.

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THE GERMAN MILITARY AND ECONOMIC POSITION, DECEMBER 1941¹

I

Military manpower and materiel position of Germany,
June 22, 1941.

A. MANPOWER

Roughly 9,000,000 men were organized in German military and semi-military formations at the outbreak of the Russian war. This excludes the troops of Italy, Finland, Roumania and other Allies, totaling roughly 44 divisions.

Ground forces totaled 7,500,000 organized in 300 divisions of which 25 were armored and 35 were motorized.

The German air force personnel totals about 1,200,000 including pilots, signal corps, anti-aircraft forces, parachute troops, and other attached services.

It is estimated that 160 divisions has been the maximum engaged at one time in the Russian campaign. This may have amounted, including all supporting and service forces behind the combat areas, to 4,500,000 men.

B. MATERIEL

1. Combat planes. It is estimated that Germany had approximately 24,000 combat planes available at the outbreak of the Russian war, as follows:

¹The purpose of this study is to consider the fragmentary information available concerning German military gains and losses in the Russian campaign in relation to the German economic position as of December 1941. Its conclusions are subject to revision in the light of a special report, now being prepared by the Eastern European Section, on German gains in the Russian campaign.

	<i>First Line</i>	<i>Reserve</i>	<i>Total</i>
Bombers, heavy (including long-range reconnaissance)	220	220	440
Bombers, medium (including reconnaissance)	4,250	4,250	8,500
Bombers, light (Stukas)	1,190	1,190	2,380
Pursuit, single engine	2,400	2,400	4,800
Pursuit, twin engine	2,250	2,250	4,500
Observation and co-operative	900	900	1,800
Flying boats, navy fighters and amphibians	<u>?</u>	<u>?</u>	<u>?</u>
TOTALS	11,660	11,660	23,320

Approximately 50 percent of the German plane strength has been employed on the Russian front.

2. Tanks. It is estimated that Germany had 30,000 tanks on hand at the opening of hostilities. It is to be noted that Germany is favoring the use of medium and heavy types of tanks.

3. Artillery. An average estimate of 13,500 guns is submitted as between a British estimate of 15,000 and an American of 12,000. Heavy anti-aircraft guns amounted to an additional 9,000. The number of anti-aircraft (47 mm.) on hand is not known, but it is to be noted that these are employed for anti-tank purposes as well.

4. The percentage of total equipment used on the eastern front is approximately in proportion to the number

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of divisions operating there.

C. *MILITARY MATERIEL PRODUCTION RATES*

1. Planes. The present estimated monthly production rate of German combat airplanes by types is as follows:

Bombers (including heavy, medium and long-range reconnaissance)	770
Light bombers	230
Pursuit	730
Army cooperation, coastal, etc.	230
TOTAL	1960

2. Tanks. Monthly production rate is estimated to be between 1,000 and 1,700 tanks, with heavy and medium types predominating.

3. Artillery, light, heavy and anti-aircraft. It is estimated that field guns and howitzers were being produced in April 1941 at the rate of 235 per month; while heavy anti-aircraft guns were produced at a rate of 150 per month.

4. Trucks. Production in Germany and occupied countries may amount to 10,000 per month.

II

German Military Losses in the Russian War

A. *MANPOWER*

Two announcements have come from German official sources regarding German casualties in the Russian war. The first, emanating from the High Command, estimated losses to August 31; the second, made by Hitler, December 11, presented figures up to December 1. These estimates, together

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with a derived estimate of the losses from August 31, to December 1, are presented in the following table:

	<i>Killed</i>	<i>Wounded</i>	<i>Missing</i>	<i>Total</i>
June 22 - Aug. 31	85,896	296,770	20,299	402,865
June 22 - Dec. 1	162,314	377,767	33,334	573,515
Aug. 31 - Dec. 1	76,418	80,997	13,035	170,550

The two German estimates are not consistent with each other nor is the derived estimate, covering the period from August 31 to December 1, consistent with the scope of battle action during that period. The first estimate gives a ratio of wounded to killed of slightly more than 3 to 1. This ratio does not depart far from the ratio of 4 to 1 common to all armies during the World War. The ratio of killed to wounded in the period August 31 to December 1, however, derived from the two German estimates, is approximately 1 to 1. While it is possible that battle conditions in Russia during the last three months may have produced this result, it seems improbable.

In the second place the reported total casualties of about 1850 per day during this period compared with 5740 per day up to the end of August, is not consistent with known facts. While it is certainly true that with lengthened supply lines and weakened Russian resistance, the numbers of German troops actually engaged has decreased, it

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must be remembered that in the period August 31 to December 1 the following actions against heavy resistance have taken place: capture of Kiev, Kharkov, Odessa, Rostov, the Crimean campaign, the closing of the ring around Leningrad, the Dnieper crossing and two major drives on Moscow, the first of which (Viasma-Bryansk) was announced by Hitler as the "greatest military onslaught in history."

Various arguments, nevertheless, have been advanced in favor of accepting the German published figures as accurate. It is said (a) that since the war against Russian communism is popular in Germany the army has no particular inducement to understate losses; (b) that a gross understatement would be too easily detected by the German people; (c) that in the case of earlier statements by the High Command which can be checked, the statements have proved to be accurate; (d) that the German figures are not unreasonable from what is known of German tactical methods, making due allowance for the character of the engagements and the size of the forces involved.

None of these arguments is conclusive. If losses are heavy there is always a strong inducement to understatement; nor is detection of such understatement an easy matter. The accuracy of past statements of losses may be explained by the fact that these losses were small. Though there is

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every evidence that German tactical methods have been designed to minimize manpower losses, this does not necessarily mean that losses in fact have been small.

The only alternative, however, to an acceptance of the German figures appears to be a choice among the estimates of a number of official and unofficial "observers". These range all the way from an estimate of 800,000 in the first five months of war to the Russian "estimate" of 6,000,000 as of early December. None of these estimates appear to be based on a method of calculation which commands respect. Any estimate of German losses in excess of 3,000,000 for the first six months of the Russian war is clearly incompatible with the continued magnitude of the German effort in this area. On the other hand, a figure considerably in excess of the German reported losses is probably compatible with this effort.

A calculation based on German losses in the Polish campaign may afford a clue. Germany officially admitted 665 killed per day in the Polish campaign of 1939. Five armies were involved as against 13 on the Russian front. Assuming the same rate of loss for all armies, over a period of 170 days (i.e. to Dec. 10) yields a figure of 294,000 killed. Using a World War ratio of 1 killed to 4 wounded indicates

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total casualties of approximately 1,470,000.¹ Resistance on the Russian front has undoubtedly been more serious than in Poland. On the other hand, with lengthening supply lines, the German forces engaged in combat have declined. In view of these considerations a figure of 1,500,000 total battle casualties to December 10 seems not unreasonable.

If the figures on plane losses given below are correct, the loss of pilots in the five months ending November 22, may be well over 2,000.

¹This calculation represents total battle injuries; and makes no allowance for possible losses due to other causes. The following statement from the Office of the Surgeon General is revealing: "It may be presumed that the type of warfare in Russia affected by tanks, motorized infantry, aviation, excessive cold, rapid movements, supply difficulties, fatigue, etc., will produce high mortality rates. Typhus Fever, always endemic in this area, is probably running wild, as there is little opportunity for delousing and bathing. Dysenteries may be taking a heavy toll and pneumonia, meningitis and other respiratory borne infections are probably on the increase. Without definite figures, it may be presumed that mortality rates for specific age groups of German males are higher in the Russian front than they would be for same groups at home during normal conditions. As to German soldiers in quiet areas the rates should not be higher than normal."

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B. MATERIEL LOSSES

1. Best available reports seem to indicate that the German Air Force lost approximately 1500 planes in the first two months of the Russian campaign. If subsequent losses have been proportionate, then total losses in the first six months of war have probably been about 4500 planes of all types. It is estimated that perhaps 10-15% of this equipment could be made serviceable through repairs. It will be noted that the monthly rate of loss appears to be less than the monthly plane production rate, for all types..

2. Estimates of loss of other types of equipment are not available, but military advice is to the effect that materiel losses can be replaced from existing stocks and current production. German losses have been mitigated, as well, by the fact that Germany has gained control of most of the battle fields, and thus held a good part of its own and Russian damaged equipment.

3. Total military petroleum consumption since the outbreak of the Russian war is considered to be in the neighborhood of 620,000 tons per month of which approximately 75,000 tons are consumed by the air service. This rate of consumption involves some incursion into petroleum stocks.

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C. Reflection on the fragmentary material available concerning German losses suggests that although replacement of lost manpower and equipment has not presented serious difficulties to date; the following considerations may be important:

1. If German casualties are concentrated in the age group 21-33 (but particularly in the age group 21-28), replacements of losses by soldiers drawn from the same age group may become difficult, due to the unnaturally small size of that group within the German population.
2. The extension and maintenance of a two thousand mile front, at increasing distances from German centers of production, has created a disproportionate demand for railway equipment and other transport facilities.
3. Since German plane losses have been principally in bombers, they are somewhat more serious than the over-all figures would indicate. In view of reserves and the current production rate, however, plane losses are not to be regarded as a major German cost in the present campaign.
4. The magnitude of oil consumption in Germany and occupied countries when combined with military consumption, seems definitely to create, at least temporarily, a situation in which consumption is at a markedly greater rate than production.

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III

The German Economic Position

A. GERMAN MANPOWER RESOURCES

1. As early as 1935 the present regime in Germany began to extend a system of controls over employment; by 1936 a large-scale plan for the control of employment and the inventory, training, re-training, and allocation of labor was in effect. As a result of the carrying out of this plan Germany is in an extremely good position to make the most flexible and efficient use of her labor supplies.

2. At the outbreak of the war in 1939 the potential manpower resources of Greater Germany were already utilized to an extraordinarily high degree. It is estimated that employment in 1939 was 20 percent higher than in the prosperous year 1929.

3. Before the outbreak of the war in 1939, 2,500,000 men were withdrawn from employment into the armed services. At the outbreak of the Russian campaign this number had been increased by approximately 7 million.

4. Estimates based on German sources indicate that, in partial replacement of the 7 million withdrawn from employment, Germany since 1939 has made the following additions to its labor force:

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Foreign civilians	2,000,000
Prisoners of war	1,500,000
Women	1,000,000
Men	500,000
Volksdeutsche	150,000
	<hr/>
	5,150,000

5. Industrial output per hour worked showed no net increase between 1933 and 1939, and has undoubtedly declined since 1939, even among those employed in their normal occupations. This decline has been accentuated by the absorption into employment of less effective foreigners, prisoners of war, and female labor. The decline in productivity per worker has been only partially offset by an increase in the number of hours worked per week.

6. As a result of the reduction and dilution of the labor force, together with some material shortages and transportation difficulties, there has occurred a decline in the volume of industrial output in Germany since 1939 which has been estimated by the BMEW to be as much as 20%. While evidence is lacking to support this figure, it is clear that total output has fallen. This decline did not, however, necessarily reduce the output of war materiel; although it has been a limiting factor on the goods and services available to consumers.

7. Previous to 1939 the shift in production from civilian to military output had been such as to reduce per

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capita production and consumption of civilian goods by 10-15 percent below the 1929 level. Since 1939 this shift has been accentuated. Perhaps the most illuminating evidence to be drawn from employment statistics is the increase in employment in the metal trades by approximately 2,200,000, an increase of roughly 50 percent.

8. Judgement as to the existence of a general man-power shortage in Germany is a matter of definition. It is obvious that man-power resources under German control are not sufficient for the maintenance of normal output for German civilians plus the requirements of the present war effort. A more reasonable criterion would be the maintenance of the present war effort plus a tolerable level of civilian output. There are evidences that this standard is becoming increasingly difficult to maintain in Germany, especially since the outbreak of the Russian war, despite the exploitation of Continental man-power and other economic resources.

It is, however, impossible to allocate exactly the extent to which a man-power shortage, as opposed to shortages in transport, raw materials, and productive capacity, is responsible for present strains. Specific evidences of man-power shortage, by this definition are the extraordinarily long hours of work demanded of German labor; and the

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extreme efforts made to employ special types of foreign labor; e. g., Polish miners, Belgian and Dutch engineers, etc. A general man-power shortage, however, must be regarded as one of several over-all limits to German output, rather than as a bottleneck capable, in itself, of precipitating crisis.

9. Germany's most decisive and least manageable man-power problem is the shortage of men suitable for active combat troops. Here foreign man-power can be used to a strictly limited extent, and war prisoners are useless.

Due to the great fall in the number of births in 1914-18, Germany has only 2,244,000 men between the ages of 23 and 28--about 1,500,000 fewer than if the pre-war birth rate had been maintained. Even including those now 21 to 23, and those 28 to 33, there are only 7.2 million men from 21 to 33, and this is the optimum age group for active combat.

Losses from this group, undoubtedly heavy already, are virtually irreplaceable. This shortage may prove serious in the face of protracted Russian resistance; and may be decisive should the man-power resources of hitherto non-combatant areas ever be fully mobilized against Germany.

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B. THE GERMAN FOOD AND AGRICULTURAL POSITION

1. Except in meats (rations for which were reduced 20 percent in June 1941) German food rations have remained about unchanged since early spring 1940. In order to assure most efficient use of available supplies, the German rationing system makes allowance for the differing requirements of various classes of consumers. They are largest for soldiers in active combat, and are larger for workers performing arduous labor than for other civilians.

2. Present German food rations can be most readily compared with pre-war consumption in the three important food groups--flour, meats, and fats and oils. For front-line soldiers, the rations of each of these items are somewhat larger than in 1936-37. For civilians as a whole, average flour rations have been reduced by 6 percent, fats and oils by 33 percent, and meats by 46 percent. The June 1941 cut in meat rations was announced as temporary. Restoration of the pre-June allotments would still leave consumer rations one-third below pre-war. German potato production is far in excess of human requirements, even though this consumption--which is not rationed--has increased by at least 50 percent for the old Reich as a whole. These increased shipments have further aggravated a transport situation which has, from time to time, created acute shortages of potatoes in some districts.

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3. In terms of caloric, or energy, intake, present German diets appear adequate or nearly so; in terms of longer-run nutritional requirements for vitamins and calcium, diets are deficient. Besides lowering resistance to infection, these shortages will, if they persist, result eventually in deficiency diseases such as pellagra and rickets.

4. Without drawing on the Ukraine and without significant encroachment on existing stocks, Germany can maintain present flour rations during the crop year 1941-42. The 1941 grain crop appears to have been normal in Germany, and larger exports than in 1940-41 can be expected from the Danubian countries.

5. Present low meat rations can be maintained in Germany during the crop year 1941-42 without reduction in German livestock herds. This will involve, however, continued, drastic restrictions on meat consumption in German dominated countries as well as additional slaughter of herds in Denmark and the Netherlands. Supplies of animal feed-stuffs are, in any event, inadequate to maintain livestock population in these countries. Restoration of German meat rations to the pre-June level would necessitate a reduction in German livestock numbers.

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6. Fats and oils are the weakest element in Germany's food position. In the year 1940-41, the German fats and oil stockpile had to supply over 20% of her domestic human utilization of such foods. Stocks on August 1, 1941, were estimated at little more than one month's consumption. Domestic production can supply only about 60 percent of requirements at the current level of rationing. Further curtailment of consumption during the coming winter and spring is definitely called for, unless additional supplies not now in prospect can be obtained. The present supply position, however, permits a level of consumption above that of 1916-18.

7. The German standard of living in items other than food has undergone substantial curtailment since the outbreak of war. New clothing rations have been introduced in October which involve a reduction of 50 percent from those previously in effect. Leather has virtually ceased to be a civilian consumers good. Fuel for domestic heating has been available only in limited amounts. Most durable consumer goods, already sharply curtailed before the outbreak of war, have become unavailable. In general, however, these shortages are not as dangerous, potentially, as those in nutritional foodstuffs.

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8. Only the German position with respect to meats, fats, and oils emerges, as of possible strategic importance in the area of the economy examined here. Supplies for the 1941-42 year, however, may not present any insuperable difficulties. But, Germany will enter the 1942-43 year with depleted stocks of these commodities. Her present sources of imports will be able to provide less than in the current year, and it is unlikely that a victory in Russia can appreciably add to her prospects. Germany will have to depend more upon home production, particularly of livestock--which supplies the bulk of domestic fats and oils, as well as meats.

9. Allotments of phosphate fertilizers in 1940-41 were about 40% of those in 1937-38. Crop yields in Germany may be adversely affected if increased supplies do not become available for next year's crops.

C. THE GERMAN MINERAL SUPPLY POSITION

1. In the period 1933-39 Germany prepared for a major war by taking the following types of action with respect to minerals in which her domestic supply was deficient:

- (a) large scale imports for stockpiling
- (b) rigid controls and, later, restrictions on civilian consumption

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- (c) the provision of facilities for the manufacture of substitutes on a large scale, (notably, oil)
- (d) the substitution of abundant for scarce materials (notably the light metals and zinc for copper).

The German mineral position was materially strengthened as a result of the campaigns of 1940, by the acquisition of additional stocks and of new mineral resources.

2. Deficiencies in certain commodities have, nevertheless, persisted, and the Russian campaign has probably accentuated them, insofar as it calls for increased output in the aircraft and armament industries. Excluding the steel-hardening alloys, examined below, the present position of the German mineral supply may be summarized as follows:

GERMAN POSITION SECURE

- bauxite and magnesite
- coal and lignite
- iron ore
- manganese (assuming Nikopol mines available)
- zinc ore
- lead ore
- mercury

GERMAN POSITION STRAINED BUT NOT YET CRITICAL

- copper
- tin
- antimony
- phosphates
- coke

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3. A shortage in the steel hardening alloys has persisted, despite extreme efforts at conservation and substitution. Wherever possible the alloys have been eliminated and the percentages used, reduced. In general, molybdenum and, to a lesser extent, vanadium have been substituted for the more scarce nickel and tungsten. A summary of the German position with respect to each of the major alloys follows:

tungsten: Portuguese output being expanded and going increasingly to Germany. Despite this development and extensive substitution of molybdenum, the German stockpile is probably being reduced, since the Russian war cut off the Chinese supply.

molybdenum: Yugoslavia, Norway, French Morocco and other areas probably yield about 15% of world output to Germany. Extreme effort being made to expand Continental output. Stockpile position probably better than for tungsten, but being slowly reduced.

nickel: Perhaps most serious of all alloy shortages. Stockpile probably being reduced quickly. Limited crisis may develop unless Petsamo mines can be set to work in Finland. This seems unlikely in near future.

chrome: Conflicting evidence on amount of Balkan supply coming to Germany. Stockpile probably being reduced, although full exploitation of Balkan resources might check trend.

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cobalt: Necessary for both steel and hydrogenation. French Morocco only major source of supply. Probably sufficient if freely exploited and transport made available.

vanadium: Probably sufficient supply to be drawn from steel slag and burnt oil residue.

manganese: Ample supply, if Nikopol production successfully mined and transported from Ukraine.

4. It is impossible to evaluate precisely the net significance of the various shortages within the German mineral supply position. There is no reliable evidence that either the quality or the quantity of German military production has yet suffered in consequence of such shortages; although it should be borne in mind that output could be maintained for a considerable period out of stockpiles. Stockpiles are being reduced in the case of copper, tin, antimony, nickel, chrome, and tungsten. The moment of their exhaustion can not be deduced from available evidence, although crises have been predicted by the British in copper and chrome in the course of 1942.

D. THE GERMAN PETROLEUM POSITION

1. To ensure an adequate petroleum supply in case of a major war has been a prime objective of German policy since 1933. Between 1933 and 1939 the following types of action were pursued:

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- (a) Large stocks were accumulated from abroad
- (b) The domestic output of crude oil was sharply increased
- (c) Large plant facilities were provided for the manufacture of synthetic petroleum products
- (d) Less essential uses were curtailed

The acquisition through conquest of the prime oil producing areas of Europe has probably constituted a net accretion to Germany's petroleum supply; although that accretion was limited by the simultaneous acquisition of responsibility for satisfying the minimum petroleum needs of Italy and the Occupied areas.

2. The various estimates available of the present production and consumption rates in occupied Europe, and of the stocks of petroleum available to Germany are sharply at variance. Estimates of consumption rates are more consistent than those for production. Using alternative production rates it is possible to deduce that the German economy is either drastically reducing its stocks, mildly reducing its stocks, or even enjoying a surplus. The following conclusions, therefore, must be regarded as highly tentative:

- (a) With the completion of the Western campaign in 1940 and with the Continent-wide application of stringent economies, it would appear that the relation between consumption and production was

such as to permit at least a balance, at a level of 14-16 million tons annually, and probably some accretion to military stocks.

- (b) This relatively secure situation, however, depended not only upon widespread use of substitute fuels and stringent economies, but also upon the fact that the German armies were not used actively and on a large scale in the year following June 1940.
- (c) Within the rough equilibrium or surplus that appears to have existed, there were shortages of particular products, notably Diesel fuel and lubricants; and some surplus, under existing economies, of certain types of gasoline.

The Russian campaign has altered this situation in the following respects:

- (a) Total consumption of petroleum has undoubtedly increased substantially, despite further curtailment in less essential uses.
- (b) Difficulties of oil transport from Rumania to Germany, which had inhibited the effectiveness of this area as a source of supply, are reported to be somewhat alleviated; and it has proved possible to send Rumanian oil directly North and East, to the Axis armies in the field.
- (c) Russian petroleum supplies, previously available at the rate of about a million

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tons a year, have been cut off and this has been only partly offset by the acquisition of the Galician fields.

- (d) Heavier R.A.F. bombings have probably impaired the operating efficiency of refineries and synthetic plants in Western Europe and destroyed some oil stocks.

Almost all estimates of current consumption indicate that Germany is at present maintaining its war machine partly out of petroleum stocks, accumulated before June 1941. Estimates of the rate at which depletion is proceeding vary; the extreme calculations, chiefly British, indicate that the present rate, if maintained, would exhaust German petroleum resources within the next calendar year.

4. The following factors make complete exhaustion unlikely within the next year:

- (a) The intensity of warfare, and therefore the oil consumption rate, will probably not remain steadily at its present high level.
- (b) The possibility that Germany will gain control of the fairly accessible oil fields of the Northern Caucasus. In that case, substantial quantities of oil will probably be obtained, regardless of Russian sabotage and the difficulties of transport.
- (c) There is still a small margin by which civilian consumption can be reduced; and

the possibility of using producer and bottle gas equipment in motor vehicles and other industrial and commercial uses has not been fully exploited.

- (d) New synthetic oil plants may be brought into production.
- (e) The Rumanian oil fields may be exploited more fully.

5. On the basis of present evidence, therefore, it cannot be predicted that Germany will suffer a critical petroleum shortage in 1942.

E. THE GERMAN TRANSPORT SITUATION

1. Upon the outbreak of war in 1939 the German transport system was probably in good condition. At that time, however, the limit of intensive utilization of rolling stock had about been reached; subsequent transport demands have been met largely by curtailing civilian services.

2. From 1939 the traffic burden of the railways has been increased by the reduction in coastwise shipping and in trucking, due to the gasoline shortage. The relocation of industry and the increased use of coal, wood pulp, bauxite, and potatoes in the development of substitutes have also increased the transport load. The acquisition of transport responsibilities in east and southeast Europe has probably involved some net liability to the German transport system.

France and the Low countries, on the other hand, probably contributed an important accretion of rolling stock and locomotives.

3. Until the Russian campaign the transport facilities under German control proved adequate generally for the requirements of the war economy. This rough equilibrium was achieved by curtailing civilian services, by avoiding coincidence between the harvest peak load and large scale military movements, and through the above-mentioned accretion of rolling stock. The greatest period of strain occurred during the winter of 1939-40, when the unusually severe freeze immobilized the inland water-ways (which carry 25% of all freight).

4. The additional burden imposed by the Russian campaign has been sufficient to cause symptoms of a transport shortage, potentially capable of reducing the total efficiency of the German war economy; coal has accumulated at pit-heads in Silesia, crops were not moved at appropriate times, and measures to increase the use of water-ways have been taken. Local shortages of consumers goods have accentuated an already difficult civilian position, both in Germany and in occupied areas.

5. The significance of the present transport shortage is difficult to evaluate on the basis of present limited information. Thus far civilians have largely borne the

impact of the new strains induced by the Russian war. Coal shipments to Italy and Sweden have been reduced and shortages of supplies for German war industries have been reported. The extent and the rate at which the output of military equipment and their supply to the fighting fronts may be affected can not be stated. The immediate seriousness of the situation can readily be exaggerated, but at the very least, the shortage means that organizational and material resources, which are vitally needed in uses that contribute more directly to military success, must be devoted to the alleviation of the transport difficulties. It may be possible to measure the degree of strain more closely during the coming winter, when pressure on the German transport system would, in any case, be expected to increase.

F. *THE PRESENT STATE OF GERMAN MORALE*

1. From 1933, and even before, German morale was prepared for the responsibilities and hardships of offensive military action. The advent of the National Socialist regime was accompanied by the institution of elaborate efforts to control and direct public opinion to this end.

2. Nazi propaganda theorists have realized that during a modern total war efforts to control public opinion work within narrow limits: the real underlying factors

~~SECRET~~

remain, as elsewhere, the success, actual and prospective, of military operations and the hardships and discomforts borne by the people.

3. From the outbreak of hostilities in 1939 until June 1941 the strength of German morale was unquestioned. This may be regarded essentially as a consequence of the great German victories and, perhaps more important, the feeling that total victory was certain and within sight.

4. The prolonged and difficult campaign in the East has affected German morale in the following respects:

- (a) Civilian supplies of all kinds have been diminished due, in part, to the pressure on transport facilities and on the labor supply.
- (b) British bombing has been intensified.
- (c) Man-power losses have been sufficiently heavy to impress themselves upon the public.
- (d) Perhaps most important, total victory has ceased to be an immediate prospect for Germany.

5. The official response of the Propaganda Ministry to this situation has been to present Total Victory against Total Annihilation as the only real alternatives for the German people.

6. Should the tide of the war run strongly against Germany it is possible that German public opinion will shift from its present offensive attitude to one of last-ditch defense; and the full power of the Propaganda Ministry will be directed to that end. In that case, a distinct "collapse of morale" may not occur.

7. Barring this eventuality, present evidence seems to indicate that necessary conditions for a "collapse of German morale" are:

- (a) serious military set-backs
- (b) the universal realization that ultimate defeat is inevitable.

Further drastic reductions in the civilian standard of life are capable of weakening morale in such a way as to make it more susceptible to military reverses.

No. 321

March 11, 1942

8:30 A.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The attached is a proposal for an operation generally in the region of the British Solomon Islands. The proposed leader of the project is Guy Richards who is a feature news writer and is a Naval and Marine correspondent for the New York Daily News. He is 36 years old, in good health, highly intelligent and with pronounced audacity. He has a thorough knowledge of boats, large and small, gained from many years both as an amateur and professional seaman.

He was head of the Yale delegation in Labrador with the Grenfell Mission in 1925, and a member of the Whitney Melanesian Expedition with the American Museum of Natural History in 1927-1928. On the Whitney South Sea Expedition which covered Hawaii, Japan, and China, and more particularly Fiji, New Zealand, Australia, New Guinea, Solomons, Philippines, he became thoroughly trained in bush life, came to know the natives of the Melanesian Islands, and how to make use of them.

He graduated Cadet Captain from Culver Military Academy in 1922 where he was captain of the hockey and bayonet teams

and of the crew, and chairman of the school newspaper, The Vedette. In 1929 he graduated from Yale as Class Orator, and on the Student Council, Yale News, and Varsity Football for three years. He was president of the Employees' Association of Lamont Corliss and Company for the years 1932, 1933 and 1934. He is married and has two children.

No. 321

March 10, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following project is to concern itself with Melanesia, the islands of New Guinea, New Britain, the British Solomon Islands, the New Hebrides and Fiji.

The suggestion is made that a small group of Americans who have spent much time in these islands and whose services are available should carry out the following program, with the aid of the Knaka population.

1. Laying out of a scouting network through the islands, linked together by Navy wireless posts.

2. Preparation for surface-craft bases and land and sea-based aircraft. This will include the proper analysis of each island for dispersed airfield sites, as well as calm water locations for hydroplanes.

3. The general preparation of the entire Melanesian archipelago for the time when the United Nations will use it as a base for invasion of the Japanese mandates.

The secret of the success of this operation depends upon knowledge of the bush and exploitation of the temperament of the Melanesian Knaka. It must be remembered that Melanesia

is unique in that its native population is still in the stone age, and still politically disorganized. Despite the activities of missionaries and civil patrols, one native village in Melanesia is, more often than not, an enemy of the next. There is no uniform language, no acknowledged political leader, and no boss, white or black. Strangely enough, however, this presents many great advantages. On a payroll of trade tobacco and calico cloth, there are no limits to what individual groups of Knakas are willing to do. This includes scouting and bushwork, operations at sea in their native canoes, carrying supplies, and executing ground work that would be necessary to the perfection of airfields. The Melanesian must be coaxed, cajoled, amused, and occasionally berated.

Melanesia is on the fifty-yard line between the Queensland-New South Wales coast of Australia, and the Japanese-mandated islands. Southwest of Melanesia lies all of Australia - the goal line. Northeast of the Japanese-mandated islands lies Hawaii and the western coast of the United States - another goal line.

When the Prince of Wales and Repulse were sunk off Malaya by land-based Japanese aircraft, the new value of all Pacific islands was established overnight. From that day onward, it has been apparent that no navy could venture

near an archipelago, unless its own planes, and not the enemy's, were based thereon. Looking at it in reverse, therefore, it seems logical that the United Nation's fleets must keep clear of Melanesia until the day when they have more than a foot in its door. To set the stage for such a domination is the purpose of this project.

The proposed leader of this expedition has an accurate knowledge of the exact equipment, trade goods, medicine, weapons, and methods by which this project could be carried out. He also has knowledge of a group of at least five other Americans who are equipped by training and experience to live in the bush, to land on both feet under all circumstances, and to deal successfully with the natives. This includes also fitness in health and a knowledge of boats, large and small, gained from many years as an amateur sailor, as a professional seaman, as a member of a Melanesian expedition with the American Museum of Natural History in 1927 and 1928, and from recent years as a Naval and Marine correspondent.

Here is a suggested outline of the planned sequence of operations:

- (1) Establishment of an immediate assembly point in Los Angeles or San Francisco of native trade goods that

cannot be purchased in Fiji or Australia. Included in this assembly will be vital medicine, light bush equipment, weapons, and all stores that must be purchased in the United States. Assembly would require not more than a fortnight.

(2) Placing of these stores immediately on the fastest transportation available to Suva in the British Fiji Islands.

(3) Allotment by the Navy of such personnel and equipment as may be necessary of Navy-trained wireless operators and sending and receiving sets as can be obtained. More should be forwarded as different islands are taken over.

(4) The executive personnel, consisting of the leader and five Americans, whom he has in mind, should then proceed to Suva, preferably by plane. From Suva, the leader should fly to Sydney and spend at least a week, getting all the latest maps and Melanesian information available from the Australian Government.

(5) On the boat, destroyer, or purchased schooner which forms the headquarters, the expedition should proceed to Nouneau, in Free-French New Caledonia.

(6) Working north and northwest from Nouneau, the Melanesian archipelago should be tackled, island by island.

(7) On each island, a high observation station should

be erected in the mountains; this to be linked by a native courier to a radio station. Native patrols, to supplement the observation posts, to be arranged for permanently.

At least one big island could be so handled every four days. In a month, the network would have spread to the nearest British Solomon Island - Tulagi, where the Japs have already arrived.

(8) The presence of Japanese on any island, however, should prove only a limited obstacle. Most of the big Melanesian islands they have invaded are from 60 to 150 miles long, with high mountains and thick jungles. The tactics planned in this whole operation would include the putting ashore at night and the fading into the bush of an island crew on each big island where the Japs have already arrived. This includes Guadalcanal, opposite Tulagi, Bougainville (the Japs have small patrols here in Kieta and Buka), New Britain (the Japs have a large task force at Rabaul), and the giant continental island of New Guinea.

(9) Completion of the radio network will provide an instant reporting system on daily events throughout the archipelago.

(10) The Navy will be immediately supplied with an analysis of every island's potentialities for land-based and shore-based aircraft.

(11) Operations should be begun immediately through the use of the natives in preparing those sites.

(12) Operations should be commenced immediately for the distribution of aviation gas caches.

SUMMARY

One old destroyer would be ideal to transport supplies and act as G.H.Q. in the initial stages. It would also furnish some anti-aircraft and weapon defense, if the expedition were exposed at sea, to Japanese aircraft attack. In short, the expedition would be vulnerable in its transit from island to island. Once its members got ashore on any island, however, it would take the enemy weeks to overtake the patrol.

The assets of this project are that it could be put into action almost immediately and it has a minimum dependency on the assemblage of large quantities of supplies.

For the first year's operation, a roughly estimated budget (exclusive of the purchase of small craft in the Fijis and New Caledonia) would be about \$100,000.

A copy of this has been sent to Admiral King.

No. 322

March 10, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is a summary of the British Home Intelligence Report for the week ending March 2.

In general, public feeling remains unsettled and confused, although the slight recovery of spirits noted in the previous week continued in eight out of thirteen regions. Predominant in five regions are many reports of anxiety, despondence, and pessimism. There are reports of war weariness, coupled with belief that the conflict will last for a long while. In addition, some realization has now appeared that we can lose the war. "Disquieting signs of an increasingly questioning mood, coupled with doubt as to the worthwhileness of the struggle" are prevalent. The spirit of determination and urgency so apparent after Dunkirk is now nowhere evident. A "show-me" reaction greeted even the Cripps speech in the House on February 25th. "On the whole, the public is more depressed this week than for many months." A feeling of "hopeless muddle somewhere" is also evident. What people desire above everything else is an offensive attitude on the part of the fighting forces instead of continual retreat and defense, efficient and strong leadership at home towards a

real total war effort and some clear cut goal to strive for in the future."

The event of the past week was Cripps' speech. It was praised for its realism and call for greater simplicity of living. "There would be considerable response to the call to austerity, but any restriction should fall as heavily on the pleasures of the rich as those of the poor." The cabinet changes were received with a "wait and see" attitude, except for Cripps. The enthusiasm over the dismissals was greater than that for the final result. Only where the cabinet proves itself by action will the public give it a hand.

In regard to the Far East, the fall of Singapore caused a growth of bewildered criticism. The disclosure that seventy-three thousand British and Imperial troops were lost stunned the public. Why the High Command sent reinforcements when they knew that they could not hold the enemy remains a mystery. There are continued comparisons with MacArthur.

There is increasing anxiety for an interest in India. There is fear that in three or four months the Japs will make a landing in Calcutta. The attitude of the government toward India is being discussed more critically and widely than ever before. There is genuine sympathy for Indian aspirations and demand for generous action. The point is increasingly made that the enlightened liberality of the American treatment of the Filipinos is responsible for Philippine resistance.

Regarding Russia, the renewed successes and the Red Army birthday have brought a wave of gratitude and admiration which for the last month had been slightly in abeyance. Less apprehension over the Nazi spring drive is now felt. People feel much admiration for Stalin and there is much controversy over the declaration that the Nazis and not the German people are Russia's enemies. "Some take it as a preliminary to an invasion of Germany. Others fear that when he has driven the invaders from Russian soil he will sue for a separate peace."

"Surprisingly little comment" was aroused by Roosevelt's speech on the twenty-third. It is suggested that Cripps' speech overshadowed it. There is a feeling of disappointment over "America's inactivity" despite intense public admiration for MacArthur. The knowledge of American criticism of the British as gathered from the speeches of the President and Halifax increased British resentment. Working class critics say: "Lend-lease means that after the war we shall have to work for America for nothing."

No. 323

March 11, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The material we are sending to Chungking twice daily (which is a very rounded summary of American news) we understand is being used to a gratifying degree.

Our people there tell us it is being distributed in a large part by the Chinese central news agency. Much of it is also used in the Chinese press, in English language papers there, and on Chinese radio stations.

No. 324

March 11, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

I am sending you a report on how your speech of February 23 was handled by American shortwave radio stations:

WGEA & WGEO

The speech was carried in the following languages:

English, Spanish, Portuguese, French, Swedish, Finnish, Czech, Italian, German, and Greek.
(The last language broadcast did not go out until Sunday, March 1.)

Up to February 26 these stations did 18 programs of the speech. Five of these were beamed to Latin America and the balance were beamed to Europe.

The station program manager reports that the speech, or part of it, was used for about ten days following February 23. References to, or quotations from the speech were heard in all news broadcasts. In addition, editorial comments and reactions to the speech in foreign countries, supplied by the Office of the Coordinator, were quoted. This resulted in some 200 to 250 uses of the speech, in whole or in part.

CBS

Simultaneous Spanish broadcasts by WCRC on the South American west coast beam, and by WCDA on the Central American and Mexican beam; and Portuguese broadcasts by WCBX on the Brazilian beam were as follows:

February 23--

Spanish and Portuguese cut-ins during the
President's speech
10:40 - 11:20 P.M. Translations

February 24--

7:00 - 7:15 P.M. Summary
10:45 -- Special summary in English

The European transmission began Monday night, February 23, at 11:30 P.M. with an English rebroadcast of the speech. This was followed by translations as listed:

12:10 AM in French
12:50 AM in Italian
1:30 AM in Italian
2:10 AM in Polish
2:50 AM in Swedish
3:30 AM in Dutch
4:10 AM in Serbo-Croatian
4:50 AM in French
5:30 AM in German

Approximate times of these translations had been announced in advance.

On February 24, all news periods carried considerable material on the address, with much time devoted to background and color, and to editorial comment and reaction. Special summaries were included in the following news periods:

12:30 PM in Serbo-Croatian
12:45 PM in Polish
1:45 PM in Dutch
3:30 PM in Serbo-Croatian
3:45 PM in Polish

The following special programs on February 24 were devoted to the address:

7:15 AM, following German news, a 15-minute summary in German
7:30 AM a rebroadcast in English of the speech
8:15 AM, following French news, a 15-minute summary in French
9:15 AM, following Italian news, a 15-minute summary in Italian
9:30 AM, a 15-minute summary in Swedish
10:15 AM, following German news, summary in German
11:15 AM, following French news, another summary in French
11:30 AM a special summary in Arabic
11:45 AM special summary in Turkish
12:15 PM, following Italian news, summary in Italian
1:00 PM special 30-minute summary in German
2:15 PM, following French news, summary in French
2:45 PM, following English news, special roundup of editorial comment in English
3:15 PM, following Italian news, summary in Italian

On February 25, a few additional summaries were carried, as follows:

6:45 AM another English period of comment and reaction
8:15 AM summary in French
9:15 AM summary in Italian
11:15 AM summary in French
12:15 AM summary in Italian

All news broadcasts, especially the German, devoted time to the address, most of it in the form of background and editorial comment material.

While President Roosevelt was speaking, IT&T carried the Spanish to Buenos Aires for retransmission, and the Portuguese to Rio de Janeiro for retransmission as well as carrying the address in English to Puerto Rico.

WLWO

The President's speech was broadcast to Latin America on February 23 at 10:00 PM in English direct, and at 10:48 PM in Spanish; on February 24, at 9:30 AM and at 6:00 PM in Spanish.

On February 24, the speech was broadcast to Europe as follows:

11:00 AM in Swedish
11:45 AM in Finnish
12:45 AM in Czech
2:05 PM in French
1:30 AM in Turkish
12:30 PM and 3:00 PM in Italian
2:00 AM, 1:30 PM, and 3:54 PM in German

WRUL

The following list includes only those WRUL broadcasts exclusively devoted to the President's address. These were followed in all languages by quotes of editorial opinion, allied reactions, and excerpts, keeping the speech in the news well into the week of the 23rd.

February 23

10:00 - 10:30 PM Live in English, Latin
American beam
10:30 - 11:10 PM Portuguese
11:10 - 11:50 PM Spanish full text

February 24

9:45 - 10:20 AM Rebroadcast President English
Far East beam
11:00 - 11:15 AM Arabic resume Near East beam
12:20-12:59 PM Turkish full text Near East
beam
1:15-1:30 PM Finnish resume European beam
1:30 - 2:01 PM Italian full text European
beam
2:05-2:36 PM French full text European beam
2:36-3:18 PM Serbocroatian full text
European beam
3:18-3:30 PM Norwegian excerpts European
beam
3:30-4:00 PM Dutch full text European beam
4:00-4:15 PM Czech resume European beam
4:30-4:45 PM English excerpts commentary
European beam
5:15-5:30 PM Polish excerpts commentary
European beam
5:45-6:20 PM German full text European
beam
6:30-6:45 PM French excerpts Latin American
beam

February 25

11:00-11:15 AM Arabic resume Near East beam
11:15-11:30 AM Persian resume Near East beam
1:15-1:30 PM Greek resume European beam
2:30-3:00 PM Polish full text European
beam

February 27

11:15-11:30 PM Persian resume Near East beam

February 28

2:45-3:15 PM Danish full text European
beam
5:00-5:30 PM Swedish full text European beam

March 1

4:00-4:15 PM Resume Albanian European beam

March 2

11:15-11:30 AM Armenian resume Near East beam

KGEI

KGEI broadcast President Roosevelt's speech to Latin America once complete in English and Spanish. English and Spanish highlights were included on each newscast.

These Latin American beam broadcasts were also directed to Asia by RCA transmitters. To Asia and the Antipodes, KGEI broadcast the speech complete in English three times, the first time also serving Alaska and Hawaii with some Hawaiian stations rebroadcasting. Highlights were mentioned on eight English newscasts on this beam.

One complete each in Japanese, Mandarin and Tagalog, highlights broadcast once in Cantonese and Mandarin newscasts, and 15-minute condensations were broadcast once each in Dutch and French.

WBOS

Rewire of President Roosevelt's speech was carried on WBOS:

February 23

10:00-10:30 PM in Spanish

10:30-11:00 PM in English

February 24

9:51-10:30 AM in English

10:30-11:00 AM in Swedish

12:00-12:30 Noon in French

2:00-2:30 PM in Italian

2:30-3:00 PM in Spanish

3:00-3:30 PM in German

3:30-4:00 PM in Portuguese

Listed below is the broadcast coverage of the
ess by President Roosevelt by NBC shortwave for February
nd 24.

February 23-

- 10:00-10:30 PM in Spanish on WRCA and WBOS
to Latin America; on RCAC to Buenos Aires,
Argentina; Montevideo, Uruguay; Lima, Peru;
Santiago, Chile; Asuncion, Paraguay; Bogota,
Colombia; Paramaribo, Dutch Guiana; Havana,
Cuba; Mexico City, Mexico; Guatemala City;
Caracas, Venezuela, Quito, Ecuador; Ciudad
Trujillo, Dom. Rep.:
- 10:00-10:38 PM in Portuguese on RCAC to Rio de
Janeiro, Brazil
- 10:38-11:15 PM in English on WRCA and WBOS to
Latin America

February 24-(to Europe)

- 1:30-2:00 AM in Turkish on WRCA and WLWO to
Europe
- 2:00-2:30 AM in German on WRCA and WLWO
- 2:30-3:00 AM in Italian on WRCA
- 3:00-3:30 AM in French on WRCA
- 3:30-4:00 AM in Spanish on WRCA
- 4:00-4:38 AM in Portuguese on WRCA
- 4:38-5:15 AM in English on WRCA
- 9:52-10:30 AM in English on WRCA, WNBI, WBOS
- 12:00-12:30 PM in French on WRCA, WNBI, WBOS
- 12:30-1:00 PM in Danish on WRCA, WBOS, WNBI
- 10:30-11:00 AM in Swedish on WRCA, WNBI, WBOS
- 1:58-2:30 PM in Italian on WRCA, WNBI, WBOS
- 2:30-3:00 PM in Spanish on WRCA, WBOS
- 2:30-3:00 PM in Turkish on WNBI
- 3:00-3:30 PM in German on WNBI, WBOS
- 3:30-4:00 PM in Portuguese on WRCA, WBOS
- 3:30-4:00 PM in Swedish on WNBI
- 4:00-4:30 PM in French on WRCA, WNBI, WBOS

No. 325

March 11, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

From direct Swedish sources, comes the statement that the Germans may be planning a military invasion of Sweden.

The purpose of the campaign would be:

(a) To protect their supply route to Russia and to frustrate the alleged Anglo-American plan to invade Norway.

(b) To prevent a separate peace by Finland.

(c) Isolation of Russia.

(d) To crush resistance of Norwegians which is at present dependent largely on help from Sweden.

(e) To cut off British informational sources in Sweden. These are now estimated as supplying between sixty and seventy percent

of the total British Intelligence from the continent.

(f) To buck up German morale before the spring offensive in Russia begins.

According to reports, the Germans expect that ten divisions would be enough to carry out the invasion successfully. They believe that if they threaten to bomb Stockholm the Swedes will split and capitulate.

The Swedes lack fighter planes and estimates of their supply are that they have only enough for three weeks of actual war.

No. S-3

March 12, 1942

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have been advised that Admiral Darlan sent the following cable to the French Ambassador here.

"Il serait extrêmement désirable, M. Sumner Welles vous ayant dit que l'interprétation donnée par les Free French de ses déclarations à la presse étaient purement tendancieuses, que le Sous-Secrétaire d'Etat fit d'urgence une mise au point énergique et claire. Veuillez lui faire part du souhait du Gouvernement français, aussitôt que cela vous sera possible."

The following message was received by Vichy from Henri-Haye:

"Monsieur Ernesto Guardia, Ambassadeur de la République de Panama est venu m'informer que son Gouvernement ne jugeait plus persona grata, M. de la Blanchetais, notre Ministre à Panama et demandait son rappell d'urgence.

"Le Gouvernement panaméen à ce que je crois avoir compris estime que les agissements de D. de la Blanchetais

rendent impossible son maintien dans la zone du Canal.

"M. Guardia demande que le successeur de M. de la Blanchetais soit désigné immédiatement pour que son Gouvernement puisse donner aussitôt son agrément.

L'Ambassadeur de Panama a souligné que la décision du Gouvernement panaméen à l'égard de M. de la Blanchetais ne modifiait en rien les liens d'amitié traditionnelle existant entre Paname et la France."

No. 327

March 12, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a cable from the Free French Headquarters in London with regard to Madagascar:

"M. Benoist Mechin a recemment accorde une interview a deux redacteurs japonais du journal Youturi.

"Il leur a donne l'assurance que le gouvernement francais est dispose le cas echeant a laisser les troupes japonaises entrer a Madagascar.

"Voici les paroles memes de Benoist Mechin telles qu'elles ont ete cablees a une agence japonaise.

"Le temps n'est pas encore venu du savoir si en vue de renforcer la defense de Madagascar, le Gouvernement francais doit ou non faire appel a l'aide du Japon. Toutefois, si le besoin s'en fait sentir un jour, considerant notre excellente collaboration avec le Japon pour la defense de l'Indo-Chine, nous n'hesiterions pas a agir de maniere a pouvoir faire face a la situation."

"Cette declaration de M. Benoist Mechin a ete cables au Japon le 24 fevrier dernier."

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have established a source at Vichy which I hope may work out if we guard it with great care. I have told no one but you.

Here is the cable sent by the Ambassador here to Vichy after his interview with Sumner Welles.

Pendant compte de son entrevue avec Sumner Welles, l'Ambassadeur a envoyé à Vichy le télégramme suivant qui est parti dans les premières heures de la matinée d'aujourd'hui.

"J'ai vue hier M. Sumner Welles. Notre entrevue d'abord fixée à onze heures "du matin, a dû être retardée jusqu'à six heures de l'après-midi, en raison de "la tenue d'un Conseil des membres du gouvernement, sous, la présidence du "Président Roosevelt, à l'heure même où je devait être reçu.

"A midi trente, à sa conférence de presse, M. Sumner Welles a fait aux "journalistes la lecture de déclarations dont Votre Excellence a eu le texte "in-extenso par les dépêches d'Angence.

"Aussi dès que j'ai abordé le Secrétaire d'Etat par interim lui ai-je deman "de s'il avait demandé l'agrément du Gouvernement français avant de reproduire "des passages entiers des messages échangés entre le président Roosevelt et "le Marechal Petain, les 10 et 24 janvier. M. Sumner Welles m'a répondu qu'aucun "agrément préalable ne'était intervenue à ce sujet.

"Je lui ai alors demandé s'il ne pensait pas que la révélation de textes aussi importants en pleine action diplomatique ne risquait pas de produire les plus déplorable résultats, en raison des réactions que la publication ne pouvait manquer

de provoquer sur la puissance occupant une partie du territoire français.

"M. Sumner Welles m'a dit qu'il avait crue nécessaire de clamer l'opinion publique américaine, très montée depuis quelques jours contre la France en raison de l'aide que celle-ci était accusée de donner à l'axe en Lybie et d'avoir donné aux Japonais en Indo-Chine. Au surplus, a-t-il marqué, nous ne sommes pas fâchés de mettre précisément à l'épreuve la solidité de l'engagement pris, au regard des réactions allemandes.

"J'ai rétorqué au Secrétaire d'Etat que rien n'aurait été plus facile de clamer l'opinion américaine. Je n'avais, lui ai-je dit qu'à convoquer moi-même une conférence de presse. A cette conférence, rien ne m'était plus facile que d'exposer la vérité sur l'aide prétendument accordée aux armées de Rommel en Lybie, aide pratiquement inexistante et évoquée seulement par les britanniques pour masquer leurs échecs en Afrique et ailleurs. Quant à l'Indo-Chine, il fallait au représentant de la France un véritable stoïcisme pour ne pas ouvrir le dossier indo-chinois lequel montrerait que l'Administration américaine dans la personne de ses représentants les plus autorisés, M. Welles en tête, s'était obstinément refusé en juin 1940 et dans les mois suivants à nous apporter la

moindre aide matérielle et même morale devant les exigences japonaises.

"Sans me répondre sur ce point, M. Welles m'a dit que l'inconvénient de la publication se trouvait atténué par le fait qu'il croyait savoir que les Allemands avaient connaissance des télégrammes échangés entre le Gouvernement français et ses représentants à l'étranger. J'ai dit à M. Sumner Welles que je savais, moi, que l'Allemagne - à moins que ce ne soit par ses agents secrets - n'avait connaissance d'aucun télégramme du Cabinet français.

"Passant alors à la Martinique, le Secrétaire d'Etat m'a dit que sous aucun prétexte les Etats-Unis ne pouvaient tolérer que les sous-marins allemands vinssent opérer dans les eaux de Fort-de-France. J'ai fait remarquer que conformément à l'accord passé entre l'Amiral Robert et l'Amiral Horne, l'observateur naval américain avait été immédiatement avisé et que rien n'empêchait les unités navales américaines de profiter de cette indication. Quant au débarquement d'un blessé, il s'était effectué conformément aux stipulations de la Convention de la Haye et aucune aide, d'aucune sorte n'avait été donnée au sous-marin qui avait d'ailleurs immédiatement repris la mer.

"M. Welles m'a dit que le gouvernement américain n'admettait pas que l'on puisse respecter les conventions internationales à l'égard de l'Allemagne qui se vantait de n'en tenir aucun compte. Il m'a réitéré en termes formels que les Etats-Unis ne permettraient pas "qu'il y ait des eaux neutres dans cet hemisphere.

"J'ai alors dit à M. Sumner Welles que j'allais lui faire une scène de jalousie, car il avait cru devoir recevoir le représentant gaulliste Tixier alors que M. Cordell Hull m'avait garanti qu'il ne recevrait jamais ni Tixier ni aucun autre dissident. M. Welles m'a répondu que ma jalousie était sans object, ce Tixier ayant été reçu d'une façon absolument non officielle et le Department d'Etat n'ayant pas varié de doctrine à l'égard du gaullisme. Il m'a laissé entendre qu'il avait voulu par là donner une satisfaction platonique à l'Ambassade de Grande-Bretagne qui avait été forte choquée des positions formelles prises par le Département d'Etat envers les gaullistes.

"Quant au ravitaillement de l'Afrique du Nord, M. Sumner Welles m'a dit qu'il ne saurait être question de le reprendre tant que ne serait pas éclaircie la question des livraisons d'essence faites aux italiens. Il serait à t-il dit, impossible de faire comprendre que nous envoyions du pétrole alors que

dans le même moment l'Italie recevrait de l'essence nord-africaine. J'ai fait remarquer au Secrétaire d'Etat que dès la première minute, le général Wyegand avait signalé à M. Murphy l'existence de certains dépôts d'ailleurs peu importants qui du fait de l'armistice se trouvaient sous le contrôle italien, lequel ne manquerait pas à un moment quelconque d'en réclamer la livraison.

"Enfin en ce qui concerne Saint-Pierre, M. Welles, à qui j'ai fait remarquer que nous faisons preuve depuis deux mois d'une patience anglique de laquelle nous aurions pu sortir en publiant le télégramme envoyé le 16 décembre par le Président au Maréchal - publication qui ne ferait qu'imiter l'exemple illustre donné le matin même par M. Welles en personne - M. Welles, dis-je n'a pu que me donner de vagues assurances. Il a essayé de lier l'affaire de Saint-Pierre à la négociation générale, ce à quoi je lui ai marqué que ce serait parfaitement 'unfair' l'incident étant du 25 décembre dernier.

"Je suis convaincu qu'en cette affaire, les Etats Unis sont moralement de more côté, mais ne veulent pas contrecarrer la politique de la Grande-Bretagne à un moment où des revers diplomatiques s'ajoutant à tant de revers militaires pourraient compromettre la solidité même due cabinet de Saint-James.

"En résumé, ma longue conversation avec M. Welles m'a confirmé dans l'idée qu'une détente était évidente, à la suite du renouvellement précis des engagements de neutralité du gouvernement français.

"En dehors du problème de Saint-Pierre, au sujet duquel l'embarras des Etats-Unis est évident - les gaullistes ne faisant d'ailleurs pas le moindre effort pour aider à les en tirer - la position américaine sur l'incident de la Martinique est très claire et très ferme: le non possumus est formel.

"M. Welles a fait preuve de son intelligence accoutumée en ne me parlant même pas de Madagascar, au sujet duquel la presse qui prend ses inspirations au bureau de la propagande britannique, n'avait pas manqué de nous accuser de favoriser l'établissement des japonais.

"J'ai déclaré en sortant aux journalistes accréditées que ces jours-ci, comme en d'autres circonstances analogues, beaucoup de bruit avait été fait pour rien et qu'il serait bien désirable, en temps de guerre, que la presse s'en tienne aux faits et non point aux rumeurs."

No. 328

March 12, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

We have received information that would indicate that there is no production of self-sealing equipment for gasoline tanks for airplanes in Japan. If this be true, it may partly explain the high loss of Japanese planes in combat.

No. 329

March 12, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

A Swiss banker recently arrived from Switzerland has stated that there have been several dozen Swiss doctors serving with the Germans on the Russian Front. These doctors report that incidence of typhus in the German army is high. We have also learned that the losses from freezing and exposure have been great.

No. 330

March 14, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

From: William J. Donovan

The following is a report from our New York office covering the highlights of the week's war on the propaganda front. It is based on recording of broadcasts on short-wave heard at FCC's listening posts in Washington and Portland, Oregon, the National Broadcasting Company's listening posts in Los Angeles and New York, the Columbia Broadcasting System's listening posts in San Francisco and New York, on medium wave broadcasts recorded by the British Broadcasting Corporation and by our own monitors.

NEW STRATEGIES:

This has been a transition week. It has been momentous for important changes in the propaganda strategy of both the United States and the Axis. The effects of the new strategies cannot now be foreseen clearly, but they have within them the germs of enormous potentialities, and suggest hope for continuous improvement of the position of the United Nations in propaganda warfare.

A new offensive vigor emerges in the short wave activity of the United States at the same time that a new technique is being perfected to assure better aiming and timing of America's radio weapons. New around-the-clock schedules, coordinated to assure greater speed, accuracy, regularity, and driving power, are being inaugurated at the moment the content of broadcasts becomes more aggressive.

From Axis broadcasts, on the other hand, the impression is gleaned that the end of a phase has been reached with the fall of Java and the absence of striking military developments elsewhere for the Axis to report. Axis radio is giving much time to recapitulations of its victories, as if marking time. United nations' losses are tabulated; Axis gains reviewed. Much time is spent explaining how the Axis is organizing its conquests economically and politically, "for keeps". In regard to the Far East, the Axis taunts the United Nations with the error of their prophecies of speedy Japanese defeat, and speaks of the "First phase" of the Pacific war as being over.

AMERICAN MIGHT IS SINKING IN

At the same time, Axis radio unmistakably shows increasing fear of the United States. It is sending up sure signals of alarm at what the effect may be of the news of our growing power upon the peoples under the Axis heel and peoples elsewhere. Such a development is a tribute to the success of all of the United

Nations in pounding home the meaning of American production and of our potential striking power. It may also mean that we have been successful in keeping old memories alive with our broadcasts which cite the deadly parallel of America's cumulative effectiveness in World War I.

Axis alarm betrays itself in a variety of ways. To counteract the mounting figures of American production and manpower, the Axis finds itself compelled to use every possible device to suggest to Axis peoples and to the world that American arms and men won't get to the fighting fronts. It therefore heavily stresses U-boat sinkings in American waters, which, regardless of their military advantage, are enormously useful to the Axis on the propaganda front. It also stresses shipping shortages, possible cutting of lanes of supply, difficulties in obtaining tanker crews, and real or fancied production failures in the American arms industry.

It also stresses the isolationist appeal in what must eventually appear, even to Axis propagandists, as a forlorn hope in preventing U.S. arms and men from reaching the fighting fronts. The Axis praises American isolationists for their rightness in having said that the United States and Great Britain were unprepared for war. Kaltenbach tells us from Berlin that what we have lost in war we can have access to again through the regular channels of trade. Whenever possible, the Axis continues to seek to link the isolation appeal with personal or political antagonism to President Roosevelt and other American and British leaders. It

particularly directs the isolationist appeal to South Africans, telling them that they have nothing to fear if they keep out of the war, and to South Americans, who are told to re-examine the foundations of their trust in the promises of the United States and Britain to protect them.

Axis handling of the Russian front also strongly suggests a devious plan to neutralize America's might by encouraging a sense of complacency in the American people. Yesterday, for instance, an obviously planted story from the Lyons radio announced an impending drive by a Soviet Army of 1,500,000 men in the Ukraine. Today Vichy spread a report that the German spring drive will be postponed until May or June. A similar report appeared earlier in the week in Stockholm. The Russians are doing all right, such propaganda says; take it easy and Russia will win the war for you. The endless thumping of the Red menace and the Bolshevization of England also seeks to divide and immobilize.

Still another token of Axis concern is the increasing Axis practice of referring, sometimes obliquely but more often directly, to American short wave radio stations to ridicule their statements or to tell them they lie. This is gratifying because it shows that the Axis is listening to us and feels under necessity to reply. Such reactions are, therefore, added testimony to our force.

FISHING

Several mentions of purported American military plans and activities appeared this week in Axis short wave programs. Rome, for instance, announced Kernan's proposal ("Defense won't win the war") that Italy be invaded. Berlin reported the departure from Buenos Aires of the troop-laden Queen Mary, and there have been references to an air shuttle for troops and arms across Africa. Rome's motive may be to pep up sluggish Italians, but the general impression left by these broadcasts is that they are fishing for American confirmation or denial, out of which the Axis may learn something of our plans and activities. A censor's directive during the week forbidding mention of the Queen Mary shows awareness of this possibility.

ATROCITIES AND THEIR USES

Something should have been learned this week about the effectiveness of reports of atrocities. Eden's statement on Hongkong was, of course, denied, then reiterated and again denied. (Incidentally, Berlin in home broadcasts and on German language short wave, attributed the Hongkong atrocity report to Reuters, and not to Eden speaking in the Houses of Parliament). The Japs countered by digging up British atrocities in Burma, which were duly denied previous to this week, charges and counter-charges of atrocities in the Philippines followed a similar pattern. In retrospect, these incidents have seemed to consist largely of a flinging back and forth of the accusation "You're another".

We might do well to consider the effectiveness of the atrocity report of the past week in relation to the degree of tolerance left by the widespread debunking of atrocities following World War I, as well as in relation to the level of public anger against the enemy at this time as reflected in the capacity to believe.

BRITISH BOMBS UNCOVER ANTI-COLLABORATIONISTS:

Expected and obvious were Axis and Vichy reactions to RAF raids near Paris. It could have been foreseen that these raids would be used to try to rouse Anti-British, Anti-American, and even Anti-Soviet feeling among the French. Not so expected, however, was a Vichy radio complaint (and admission) that some Frenchmen were pleased with the bombings, and that propaganda leaflets were being handed about in the street, workshops and cafes, and stuffed into mailboxes. The admission was forced from the collaborationists' own radio.

CONSOLIDATING ASIA FOR THE JAPANESE:

Tokyo produced few novelties this week, but some of the nuances of old lines had more than ordinary interest. Aside from a propaganda of terror against Australia after the classic pattern, and continuing efforts to incite India to revolt, Tokyo dwelt sentimentally on Japan's deep affection for the peoples of Asia. Tokyo told the natives of the Dutch East Indies, in substance, that their sufferings 'Hurt us as much as they do you'. Japan apologized for the necessity of making war against the Indonesians, Chinese, and Indians, and said again and again that only the presence of foreign influences caused the bloodshed and suffering, and that soon all Asian peoples will be "liberated".

ATTACK:

To this kind of talk, we replied that we have only begun to fight. With increasing tempo and weight as the week wore on, we told the peoples of the world how the United Nations are growing stronger daily while the three-power enemy grows weaker or can only with great difficulty hang on to what it has won.

More and more often we are making specific mention of our offensive action and plans. On a single day, Tuesday, we mentioned heavy American convoys moving to the Southwestern Pacific, plans for an invasion of the European continent and six items from Washington showing how we are stripping for action. We have also played up the arrival of new A.E.F. units in Ireland, the sinking of Jap ships, and the development of strong offensive and defensive bases in Alaska.

At the same time, we emphasized the weakness of the Axis position and the hollowness of its victories. In connection with the loss of Java, for instance, we pointed out the thoroughness of Dutch "scorched earth" tactics, which left Surabaya useless as an effective naval base. In answer to the weekly Goebbel's program on the "inexhaustible reserves" of the Axis, we told the Germans and other European peoples what Goebbels has not told them about shortages in Germany and other Axis countries. We chided Japan with General Homma's suicide, saying that all of Japan's military might can't defeat one American General and a handful of American soldiers. In our "Victory for Philippines" broadcast, we suggested that General Homma committed suicide "To save face", and we have said

from time to time that we are reserving the same hotel room in which the suicide occurred for Homma's successor, Yamashita.

We also reported to the world on the continuing resistance of the peoples of occupied countries. We told about slow-downs and sabotage. We also broadcast many items on the harsh treatment suffered by subject peoples. We said that in spite of Axis attacks on the Riom trials, we believed that they were being conducted along Nazi lines.

A good example of our new and stronger line was Major George Fielding Eliot's military commentary sent out today.

"The strategy of the United Nations for the coming year," Major Eliot said, "May be described as the strategy of certainty.

"The United Nations may depend on the sure knowledge of their enormously superior resources. These resources are now being translated into fighting power at accelerating rates of speed. In the meanwhile, the United Nations have only to keep the Axis within reasonable bounds.

"The strategy of the Axis will, of course, be offensive-it must attack. It has no other means of gaining a decision."

"But the strategy of the United Nations will likewise be offensive. Experience has taught the leaders of those nations a lesson which has been well learned. It has been bitter experience, and costly, but it has not been wasted."

"The only question which remains to be determined is whether the Japanese will be blinded by delusions of grandeur and attempt to expand the sphere of her present conquests, or whether she will now realize the true situation and fall back on

defensive. In either case she is doomed; the first course may only bring about her destruction a little quicker than the other..."

INDIA

With the Cripps visit to India and the possibility of some kind of settlement, India may shortly open up as a theme for a vigorous promotional effort by American radio. The restraints which prevented an all-out approach to India's millions and which left us at a disadvantage against Axis attack on the Indian problem should swiftly be removed by a directive that will unleash the full power of our coming campaign to strengthen our potentially close ties with India and to neutralize Axis charges of British-American vacillation and inconsistency.

POPULAR SHOWS

This week, American short wave stations began transmitting about a dozen standard broadcast shows, such as Fibber McGee and Molly, Bing Crosby, the National Barn Dance, and Jack Benny. Ostensibly these shows are designed for the armed forces of the United States throughout the world.

THE WHITE HOUSE
WASHINGTON

March 16, 1942.

MEMORANDUM FOR

W. J. D.

Your No. 331, March 14th.

Take this up with Sumner
Welles. O.K. if he approves.

F. D. R.

No. 331

March 14, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

You will recall that early in February, Mr. Karl S. Twitchell, American mining engineer, exhibited some colored slides of Saudi Arabia at the White House.

Mr. Twitchell is now about to leave on a mission to Saudi Arabia and will present to King Ibn Saud a projection machine. He is also gathering a collection of slides illustrating various aspects of American life.

Mr. Twitchell would like very much to take to King Ibn Saud photographs of the President and the White House. I understand you expressed yourself favorably at the time he gave his exhibition. If the suggestion now meets with your approval, I should be glad to make the necessary arrangements.

No. 332

March 14, 1942

6.00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Attached is a photostatic copy and translation of a cheaply printed handbill in Yiddish which, according to report, has been widely distributed in New York City. Copies are being left at the doors of Jewish organizations and private apartments of Jewish residents in New York and Brooklyn. Former editor of the Yiddish daily Tog states it has been impossible to discover the authors and distributors of the leaflet, though Nazi agents would seem to be indicated.



לאזט זיך נישט פארפיהרען!



די רויבערישע און אימפעריאליסטישע ענגלאנד האט געהאלפן די הימלעך-
 בעסטע צו קומען צו דער מאכט, און האט געהאלפן, צוזאמען מיט די קאפי-
 מאליסטישע, אימפעריאליסטישע און מיליטערישע באנדעס פון אמעריקא, פון
 פראנקרייך און פון אנדערע לענדער, און צוזאמען מיט די אימפעריאליסטישע
 און מיליטערישע באנדעס פון סאוועט רוסלאנד, אויפבויען די מיליטערישע
 מאשינען פון נאצי-דײַטשלאנד, פון פאשיסטישער איטאליע און פון יאפאן.
 די איצטיגע וועלט-מלחמה, ווי די פרייערדיגע מלחמות, איז א קאמף צווישען
 אימפעריאליסטישע לענדער פאר וועלט-הערשאפט, און נישט פאר דעמאקרא-
 טיע, ווי מען וויל אונז איינרעדען; און אידען דארפן זיך נישט מישען.
 ווי אזוי קעמפט אמעריקא פאר דעמאקראטיע, ווען אין אמעריקא אליין קו-
 מען פאר לינטישערייען, און עס הערשט דער גרעסטער כוליאניזם? מען שלאגט
 און מען פייניגט און מען דער'הרג'עט ארעסטירטע, פאציענטען און פרוצ-
 גערס אין פאליס-סטעישיאנען, אין רעגירונגס-האמפיטעלעך און אין פרוצאנען.
 ווי אזוי קעמפט ענגלאנד פאר דעמאקראטיע, ווען זי אליין פארשקלאפט הונ-
 דערטער מיליאנען מענשען? די באנדיטישע ענגלאנד האט ארגאניזירט פאן-
 ראמען אויף אידען אין ארץ-ישראל, און פארבאטען אידען צו קויפן דארט
 לאנד. זי לאזט נישט אריין אהין קיין אידישע פליכטלינגע, וועלכע ווילען זיך
 ראמעווען פון דעם אייראפעאישען גיהנום, און פארשיקט מוזענדער אידען פון
 ארץ-ישראל אויף אינזלען, און א סך פון זיי שטארבען אויף דעם וועג.
 אידען דארפן נישט זיין קיין פינפטער קאלום און קוויזלינגס פון דער באן-
 דיטישער ענגלאנד. אידען מארען נישט ארגאניזירען קיין אידישע ארמיי, און
 מארען נישט געבען קיין שום הילף פאר די ענגלישע פאגראמשישקעס, ווער
 עס העלפט פאגראמשישקעס, ווערט אליין א פאגראמשישק. אידען מארען
 נישט ווערען קיין פאגראמשישקעס, זאלען די נאצישע, פאשיסטישע, קאמו-
 ניסטישע און ענגלישע באנדיטען זיך אויס'הרג'ענען איינער דעם אנדערען!
 שליט זיך אן אן דער ציוניסטיש-רעוואלוציאנערישער פארמיי, וועלכע איז
 פאר אן אויפשטאנד געגען ענגלאנד, כדי צו באפרייען גאנץ ארץ-ישראל, מיט
 דעם גאנצען עבר-הירדן, פאר א אידישער מלוכה! שמעלט זיך צום קאמף!
 לעזט און פארשפרייט די פאלגענדע ציוניסטיש-רעוואלוציאנערישע אויס-
 גאבען: "ארץ-ישראל-בולעטין", די בראשורע "אונזער קאמף פאר גאנץ ארץ-
 ישראל", און די ערשטע צוויי נומערן פון דעם זשורנאל "די אידישע מלוכה!"

TRANSLATION OF LEAFLET IN
YIDDISH WHICH IS BEING
DISTRIBUTED IN NEW
YORK AND BROOKLYN

DO NOT BE DECEIVED

Thievish and imperialistic England has helped the Hitler beast come to power, and, together with the capitalistic, imperialistic, and militaristic elements of America, France, and other countries, as well as the imperialistic and military bands of Soviet Russia, has helped build up the war machines of Nazi Germany, Fascist Italy, and Japan. The present world war, like the previous war, is a struggle between the imperialistic countries for world domination, and not a war for democracy as we are supposed to be duped into believing. The Jews must not involve themselves.

How can it be said America fights for democracy when lynchings occur in America and the greatest holliganism prevails? Arrested persons, patients, and prisoners are beaten, tortured and killed in police stations, government hospitals and prisons.

How can it be said that England is fighting for

democracy when England itself keeps hundreds of millions in slavery. The bandit that is England has organized pogroms against the Jews in the Holy Land, and has forbidden the Jews to buy land there. England does not permit any Jewish refugee who wants to save himself from the European hell to enter Palestine; England sends thousands of Jews from the Holy Land to Islands, and a great part of them die on their way.

Jews must not become a Fifth Column for the English bandit. Jews must not organize a Jewish army, and must not give any help to the English pogromists. One who assists pogrom-makers becomes himself a pogrom-maker. Jews must not be pogromists. Let the Nazis, Fascists, Communists, and English bandits kill each other.

Join the Zionist-Revolutionist Party which advocates an uprising against England to liberate the Jewish Homeland and Transjordan, and establish a Jewish commonwealth! Prepare yourselves to fight!

Read and spread the following Zionist-Revolutionist publications: "The Bulletin of the Jewish Homeland," the brochure, "Our Struggle for the Entire Jewish

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Homeland," and the two first numbers of "The Jewish
Commonwealth."

No. S-4

March 16, 1942

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a cable which was sent by Admiral Darlan to Henri-Haye here in March 14th:

"J'ai fait connaître à l'Amiral Leahy qu'encore que nous soyons obligés par les circonstances de traiter aux Antilles toutes les nations sur un régime conforme aux conventions internationales, les accords Grenslade-Horne-Robert restent intégralement en vigueur.

"Pour répondre aux préoccupations du Gouvernement américain, je confirme toutes mes instructions précédentes à l'Amiral Robert, et, tout spécialement, celles qui sont destinées à faciliter la besogne des patrouilles américaines aériennes et navales, ainsi que les informations de l'observateur naval américain établi à Fort-de-France.

Veuillez en faire part à M. Sumner Welles, en lui marquant que les instructions ainsi données à l'Amiral Robert sont également valables pour la Guyane et pour

Saint-Pierre et Miquelon.

"Le gouvernement français est ainsi heureux de démontrer une fois de plus, la compréhension qu'il a des soucis de défense des Etats-Unis dans l'hémisphère occidental, ainsi que sa résolution de se maintenir dans une neutralité complète.

"Encore que votre télégramme rendant compte de votre conversation avec M. Sumner Welles et suggérant une communication personnelle du Chef de L'Etat au Président Roosevelt par votre intermédiaire, soit arrivé après ma communication à l'Amiral Leahy, j'étudie les possibilités de satisfaire au desir que vous avez exprimé.

"Je profite de l'occasion pour porter à votre connaissance que le Gouverneur Général de Madagascar m'a fait savoir qu'il n'y avait dans cette île que deux japonais: une vieille femme et un artisan, établis à Madagascar depuis de très longues années."

No. 334

March 16, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I should like you to know how our principal units are integrated and how each one serves and supplements the other. They are four in number.

1. THE SPECIAL INTELLIGENCE SERVICE (SIS) which, through its agents in various countries outside the Western Hemisphere, especially enemy countries, obtains information not ordinarily obtained by other agencies of the government.
2. THE RESEARCH AND ANALYSIS BRANCH which analyzes and evaluates material obtained from the Special Intelligence Service and from secret and confidential documents furnished by the State, War, Navy, and other departments of the government. This material is interpreted by a team of experts, and their related studies and conclusions are made available for the use of the service arms of the government and also for the affirmative units of our organization, which are:
3. THE FOREIGN INFORMATION SERVICE (FIS), the foreign propaganda arm, operating under the direction of a Planning Board

which works closely with the State, War and Navy Departments and which, by radio, pamphlet, leaflet, posters, advertising, and other means, carries the fight to the enemy and, in turn, through its monitoring service and listening outposts, obtains information concerning the enemy; and

4. THE SPECIAL OPERATIONS SERVICE (SOS) which, working closely with the Army and the Navy, carries out subversive warfare in enemy countries.

It may be interesting to note that, to perform the above functions, the British government has some six different organizations, each of which is larger than our one organization.

I think it is safe to say that by having these closely allied operations tied together as one weapon under an order signed by the President as Commander-in-Chief, there has been obtained an Economy of Force, a vital principle in warfare.

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and would be likely to expose our plans and our methods to the enemy.

Several months ago you felt the necessity to fix an arbitrary line between domestic propaganda and foreign psychological warfare. That has been done. By the separation we have kept ourselves free from domestic issues and have been able to carry out the military purpose and function of our work.

No. 335

March 17, 1942

8:30 A.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is a summary of the British Home Intelligence Report for the week ending March 9.

1. Public opinion is calmer and less critical in some respects than last week. However, coupled with this are suggestions that the majority have settled down to a state of war weariness, apathy and frustration. "The mood of the people is more depressed than it has been since the war began." The general trends are a willingness to accept heavier burdens and sacrifices, a demand for strong leadership, and demands for more drastic punishment of "moral saboteurs" including not only black marketeers and slackers but all who do not pull their weight.

2. The high spot of the week was the raid on the Renault plant. However, it was received with restraint. There were no caps in the air. Instead "it's about time, too". The speech of Air Minister Sinclair promising renewed and heavier attacks was welcomed generally and likewise Sir James Grigg's proposal to comb out ineffective army officers. "It is now accepted as clear that Captain Margsesson acted as a brake." However, people ask, "Why stop at the Lieutenant Colonels, why not begin with the higher ranks?"

3. Regarding the Far East there was little comment but general depression.

4. Regarding the Empire. In two out of the thirteen regions the possibility of Australia's leaving the Empire after the war was freely discussed. It was felt "she has no confidence in us and is leaning more and more on the United States". The widespread anxiety about India continues. British relations there are considered critical. Immediate Dominion status is urged. The attitude of the government is causing a growth of impatience. "It is thought that we lost Malaya through lack of sympathetic help by the natives and that we are making little attempt to enlist the whole hearted cooperation of the Indians."

5. All interest in the Libyan campaign has been lost except for wondering when Rommel is going to spring and why "we can't get one in first."

6. Regarding Russia there are the same "humiliating comparisons" as previously and the same gratitude and admiration. It is reported from several regions that "Stalin is still the most applauded figure on cinema screens."

7. The government's plan to curtail sports events was approved generally.

8. Special "disquieting" reports concerned several questions regarding the war. These are introduced by the statement that there is no doubt that a large porportion of the civilian

population is still actively and whole-heartedly forwarding the war effort, but a number of people have been encountered since mid January whose mood suggests a slackening of effort and a feeling of a lack of purpose-among all classes. Point A: What are we fighting for? "The public has no clear cut conception of the purpose of the war. The Russians have a definite purpose. They have a way of living that they believe is worth fighting for and which enables them to fight well. The Germans are thought to have a purpose. We have only vague conceptions, fluctuating between ideas of right and wrong and ideas of holding what we've got." Point B: How can we win the war? "There is less conviction of our ability to win and a growing tendency to think that unless we deserve to we shall not win." Point C: Let Hitler come. There is a feeling among submerged social groups that "when he does get here he can't do anything so very bad." Point D: "The admiration for Russia gives rise to a sympathy and interest in her institutions and ideals, drawn more from the conviction of our own inefficiency than from any liking of communism.

9. Regarding news presentation. Disgust and apathy this week. The war news is less listened to and less read. There is still a "glossing over bad news" by BBC.

10. Regarding industry. There is disillusion at the lack of a sense of urgency and dissatisfaction with production. The public blames the managements for bad organization, overstaffing because of "cost plus system," window dressing, not taking workers

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into their confidence, running up costs on Sunday work and overtime, and looking after their own present and postwar interests first. However, on the other hand a proportion of the workers are blamed because "they do not seem to be pulling their weight because: "get as much as you can for doing as little as you can."

No. 336

March 17, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Here is a report from one of our men at Lisbon who has the rank of Assistant Naval Attache.

"Germany - Program for Spain and Western Europe

"A Spanish woman of very high origin, believed by the Germans to be sympathetic to their cause and willing to work for them, reports the following information.

"At a dinner at the home of an important German agent, attended by informant and another German, the subject of informant's potential usefulness to their cause was the principal topic of conversation. In this connection the German program in Spain and Western Europe was discussed at some length.

"It appears, from this conversation, that the meeting between General Franco and Premier Salazar was called to discuss a German proposal of a "Catholic Crusade" against communism in which Italy, France, Spain and Portugal would declare war on Soviet Russia this Spring. Italy and the

Vichy government were not represented at the meeting for reasons of diplomacy although Madame Petain, unofficially representing the Marshal, was in Madrid at the time.

Madame Petain is an intimate friend of General Franco's and is said to have obtained full details of the scheme from him, which she has taken back to Vichy. The plan calls for 'volunteers' from all of the countries, particularly France and Spain, and all possible material aid in the Russian campaign. No declaration of war or breach of diplomatic relations with the other Allied Nations is necessarily involved. Germany's losses in Russia have been so great that she cannot carry out the intended Spring offensive on that front and her other plans without some help.

"Furthermore this line-up of Catholic countries, she believes, will very materially aid her in her other major project, which is the occupation of Eire in May or June. The Germans are counting on some resistance from the Irish but think that it will be very materially lessened if the 'Crusade' is properly propagandized. It is also hoped that Irish elements will actively join in with the Catholics of the Latin countries.

"The Germans realize that they have alienated Catholic sentiment and so want the movement to appear the idea of the Latin Dictatorships. The Seville Conference decided nothing, to the Germans' annoyance, but replies are expected from Vichy, Madrid

and Lisbon before the end of March. My informant, a member of a family high in Spanish church circles and now a newspaper correspondent, was asked to help on the public anti-communist campaign. (It is interesting to note that Franco's '100,000 men to fight communism' speech was delivered immediately after the Seville Conference.)

"In consideration for their participation, France is to obtain the release of her prisoners and Paris, Spain, Gibraltar, and Tangier; and Portugal, her imperial integrity and special concessions and privileges in Morocco. (Note: Recent Portuguese mission to Morocco!) Also Germany will take over the loan which Portugal has made with England. (See ONI report PL 44-42 of March 2, 1941, from Astalusna, Lisbon.)

"Some mention was made of using Northern Spanish and Bay of Biscay ports for the Irish occupation, the thought being that troop concentrations in southern France would be interpreted as a move through Spain to Gibraltar and disguise its actual objectives until the last minute. Furthermore, the removal of the German fleet from Brest to Germany, it is hoped, would focus British naval attention to the North Sea."

No. 337

March 17, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

Here is a brief summary of German Home Propaganda.

1. Russia still is placed consistently above the Far East in German Home Propaganda, with the key-note on "Mobile defense, successful defensive fighting, useless Soviet mass attacks repelled in hard fighting, some by counter-thrusts." Mention of "partial encirclement" of body of German troops in central sector, but neither Yuhnov nor Staraya Russa referred to. Possibility of defeat several times referred to by Goebbels.

2. "Major landmark in history of British treachery and brutality" marks treatment of Billancourt. Germans told consistently that no factories except Sevres porcelain hit and that only civilians were attacked. The casualties were 1,000 wounded, 1,000 dead, mostly women and children.

3. Details of Hong Kong atrocities withheld from Germans. They heard the Japanese details and were told the story was labelled as a smokescreen for British "atrocities" at Billancourt.

4. Except for arguments that the United States cannot organize "production" on war basis and accounts of U-boat sinkings, America was played down.

5. The American press was quoted as saying that Cripps was introducing Soviet methods in British labor. "Because of lost confidence in Roosevelt's supreme might, England throws itself at Bolshevism."

6. All political leaders are told to report immediately all suspected cases of typhus in the February 14 issue of Medizinische Welt. The public is warned of the danger and origin of typhus in BNN on February 20 and Hamburger Fremdenblatt on February 1.

7. The Swedish press is accused of publishing unneutral and pro-British articles, as Anti-Swedish press increases.

No. 339

March 17, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the daily directive of BBC:

"Psychological warfare of the enemy is whispering throughout Europe that Russia and Britain are ready to doublecross each other and sign separate peace. This campaign is aided by the enemy's open propaganda taunting Britain with Bolshevization to annoy us into attitude which will lend color to the suggestion that all is not well between Britain and Russia.

"Aim to correct two main impressions:

(a) That German spring offensive will be more terrific than the assault of last summer on Russia while the Allies are less, not more, prepared to deal with it and,

(b) That British nation is bitten by lethargy and confusion is doing nothing to help defeat Hitler and is (alternately or concurrently) about to seek terms with the enemy or be deserted by her allies and dominions.

"Show enormous peak Britain playing, with news of both offensive and defensive Mediterranean air operations, fresh particulars of Libyan Commando, British brunt in the Battle of Java, land and air news from Burma, Ceylon preparations. Also refer to great war production of this island nearly double that of America of which great part going to Russia. Besides being springboard of invasion of Europe Britain is the main source of allied war equipment.

"Hitlers spring attack cannot be as formidable as that of last June because of heavy losses of crack forces with gaps filled by hundreds of thousands of lukewarm non-Germans, because there is no element of surprise, because the Red Army has gained, the Germans lost confidence; and because the air position is bound to be affected by the growth of the Royal Air Force both in the Mediterranean and in the west.

No. 340

March 18, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

You may be interested in reading the following letter, written by the French author, J. Norton Cru, who is at present a professor in the department of Romanic Languages at Williams College. The letter concerns the phrase: "le heros de Verdun" as applied to Marshal Petain. The writer states that the phrase is a calamitous one because it was fabricated after the Armistice and applied without reason, and because, on account of it, all Americans are led to excuse many acts and attitudes of the Vichy government that are inimical to this country.

"I believe I am in a better position than most Frenchmen, perhaps than all Frenchmen, to demonstrate the lie about that phrase. It is just another legend, another heroic myth, like Debout, les Morts! and like La Tranchee des baionnettes, that I hit so successfully in the pages noted above. My contribution in my two books was to mark the difference between truthful relations or anecdotes and ... others. I made a special demonstration of invention by choosing several war legends and analyzing their fabrication. It is curious that Debout, les Morts! and La Tranchee des Baionnettes both belong to the Verdun sector, like the Heros de Verdun. I have a personal

knowledge and experience of the Verdun sector, and a long one, because my regiment went twice there, with one division and later with another division. I can testify that during the war there were two phrases: les heros de Verdun and le vainqueur de Verdun. The first, always plural, applied to the rank and file who resisted so well during the first month when no large defensive operation was fought, when no colonel could lead his regiment; it was each company, and more often each platoon, each squad that fought in complete isolation, without orders or leadership from behind. The second phrase applied to General Robert Nivelle, the one who succeeded Petain and retook the ground lost. But there was no such phrase as le heros de Verdun (in the singular) applied to Petain or to anyone else.

"Let me first explain how Nivelle won the appellation of Vainqueur de Verdun. The Germans opened their drive on Verdun late in February, 1916, and at the first news of disaster Joffre sent Petain to investigate and report. Petain declared Verdun to be a salient that could not be held and he recommended withdrawal. Joffre replied that Verdun and some of the heights to the north must be held at all cost, but Petain was free to withdraw from the low ground, la plaine de Woivre. Petain, being in charge, allowed his men to fight as I described, by little groups, under a hail of shells, he organized no larger or major counter attacks. For one month, March, he lost ground, consistently, and at an alarming rate. Verdun was not going to last

a second month, through April. But early in April, among the fresh divisions brought for relief, there were three under the command of General Nivelle. (3rd Army Corps). Under him was Mangin at the head of the 5th Division. Nivelle and Mangin were not the sort of men to adopt the passive defensive of Petain. They attacked as soon as they came. Le Bois de la Caillette, that helped to protect Fort Douaumont was taken. The week following, the Fort itself was taken (although lost after three days). The effect of this very aggressive defense was like an electric shock to the defenders of Verdun. Joffre replaced Petain by Nivelle who remained in command at Verdun during the long and spectacular period May 1 - December 20, 1916. He retook Douaumont and kept it, he retook Fort Vaux, he pushed back the Germans far enough to abolish the threat on Verdun, and of course he was called Le Vaingneur de Verdun. You know the rest. Joffre was retired and who was appointed in his place? Not Petain, but Nivelle, unknown when he came to Verdun and now the most popular man in France. But he had no luck. His offensive on the Chemin de Dames did not achieve la percée (no other had) but it coincided with the mutinies, cases of defeatism, and Nivelle was chosen as scapegoat. The end of the war found him discredited; people no longer spoke of the Vaingneur de Verdun. What happened then? I don't know, but I can guess. Certain friends of Petain who were enemies of the Republic began using the phrase Le heros de Verdun after the

Armistice. At first it was slow of adoption. Then Nivelle died, also he was a Huguenot while Petain was a very devout Catholic, and more than that, an ultra-montane, a believer in the Syllabus, a man who believed that to practice democracy is a mortal sin. The phrase was repeated and the French got accustomed to see it and hear it. I have no doubt that a very large majority of them believe in the truth of that phrase, while a small minority don't like it but have not the courage, or the patience, or simply the memory of a recent past to declare its falsity and obviously recent fabrication, after the event. We have here a striking example of the passivity, first of a whole nation, then of the whole world (scholars included) in accepting as real something that has no other reality than to have been repeated often enough by a small group of people. Two days ago I was shocked to read in the Times an article by Pertinax in which he used the incriminated phrase. He ought to know better.....Now that Petain counts for so much in the fate of France, his being the Verdun Hero, is the foundation of his whole reputation. His political wisdom, his clear-sighted patriotism, his devotion to the best interests of his fellow citizens, are guaranteed by his former achievement and devotion at Verdun. And what if the latter achievement is a trumpery? Will not his later supposed achievements or virtues crumble when they have no more foundation in his past?

"But I have something worse to say. Petain, the hero of Verdun, is more than a lie. Petain, with all his piety is a thief, he has robbed General Nivelle of his wonderful defense and brilliant victories during practically the whole Verdun year. Petain has allowed the French public, and the World public to believe that he remained in command at Verdun during all of 1916, and therefore deserves the credit for what the name of Verdun stands for. I was told that, before this war, an American woman asked Petain about his Ils ne passeront pas. He answered: 'Madame, je ne l'ai jamais dit, on me l'a fait dire'. That was honest. Why did he not carry honesty further and disclaim being the hero (which even Nivelle never was) and the chief responsible for the successful aggressive defense of Verdun?

"The friends of Petain have succeeded in eliminating Nivelle from Verdun, from the war as a whole, from history as it is remembered by the masses. Who remembers now what was said of Nivelle when he was appointed head of the 2nd Army at Verdun? It was said that at the battle of the Marne, where the taxi troops were fighting (this is almost a legend because only one brigade was thus transported) Nivelle, then colonel of the 5th Artillery Regiment, seeing our infantry in disorderly retreat though the enemy was not so close, charged at the head of his batteries, unlimbered in no man's land, and started firing

shrapnel debouche a zero (that is exploding almost immediately, a very dangerous practice) at the Germans coming on at close quarters. The feat is unique, it was never repeated, but it succeeded that time. On the other hand, who remembers that Petain in 1914, was only a colonel and was about to retire with that grade? He was not promoted a general because he had de mauvaises notes Politiques. The Republic was not narrow minded: Foch, a professor at Ecole de Guerre like Petain, a clerical, a royalist, had not seen his career impeded by his reactionary opinions, he commanded an Army Corps in August 1914. But Foch was a soldier loyal to the government of his country, he did not talk or act against it. Not so with Petain, hence the mauvaises notes.

"When I remember my days at Verdun, the deaths and sacrifices of my comrades, and then think that our suffering has been made capital of by a man who, while leading French policies, is the mortal enemy of everything I love in France: democracy, liberte-egalite-fraternite, higher education open to all who are able, and to women, separation of religion and government, tolerance for all faiths, etc., I feel that I cannot refrain from hating Petain with his piety, his honor, his good intentions. All these make him worse, because more dangerous, more useful to the Germans. If Leahy, Hull, Welles, the Director of European diplomacy (who know many secrets about France I don't know) only knew what I do about Petain, what would they do, I wonder.

"P. S. I feel safe in challenging any historian to refute this: if Petain had not been impeded, Verdun would have been occupied very quickly by the Germans. Because, (1) in February, 1916 he had the defeatist opinion that Verdun could not be defended. (2) On March 31 he had lost so much important ground in one month, and had made no apparent effort to recapture part of it, that the end was near. Another case of defeatist tactics."

No. 341

March 18, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following information has just come to us, based upon reliable reports from Switzerland as of March 5th and 6th:

"(a) Italians who speak Russian being sought by Italian General Staff, also calling up white Russians with Mansen passports. Large number of reservists called up during last week of February presumably for new expeditionary force to Russia.

"(b) Italy promised to furnish 250,000 troops for Russia while the Hungarians agreed only to send troops to occupy the Ukraine."

As of March 8 a reliable report from north Italy stated that recently mobilized Italian reserves have been temporarily discharged because of lack of equipment.

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"Early February report from a neutral diplomatic source in Rome quotes German diplomats in Rome as openly declaring there is no place in new order for the Holy See. 'We will make the Vatican into museum.'"

No. S-5

March 19, 1942

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

On March 16 the following message was received at Vichy from the French Ambassador in Panama:

"Il m'est impossible de comprendre la valeur des arguments donés par le gouvernement de Panama pour justifier la mesure prise contre moi. En effet, je me suis siogneusement abstenu de toute démarche dans la zône du Canal et je n'ai jamais bougé des villes de Panama ou de Colon, toutes deux en dehors de la zône."

"Je serais très curieux de savoir exactement ce que le gouvernement de Panama me reproche exactement. Il apparait jusqu'ici qu'il n'en sait rien lui-même."

No. S-6

March 19, 1942

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

On March 16 Admiral Darlan sent the following messages to the Ambassador in Washington:

One: "En raison de la persistance des campagnes de fausses nouvelles dans la presse et la radio américaines, je vous autorise à faire connaître aux correspondants de presse, 1^o qu'aucune demande n'a été présentée par le Japon à la France, concernant Madagascar; 2^o qu'aucune mission japonaise n'a été dans le passé et n'est dans le présent à Madagascar."

Two: Veuillez faire connaître au Département d'Etat que nous sommes disposés à interdire tout envoi de fruits secs à destination de la Lybie, si l'autorisation est accordée d'exporter les bananes séchées des Antilles à Casablanca."

On the same day the following message was received at Vichy from the Ambassador:

"Vous m'avez fait connaître que le professeur André Morize était détaché pour une durée de cinq années par

le Ministère de l'Instruction Publique à l'Université d'Harvard.

"Avant de transmettre à M. Morize, la lettre du gouvernement qui constitue pour lui un brevet de civisme, je crois devoir appeler l'attention de Votre Excellence sur le fait que M. Morize s'est soigneusement abstenue depuis son retour aux Etats-Unis de prendre parti pour ou contre le gouvernement français.

"Lors de mon voyage en Nouvelle-Angleterre, M. Morize est le seul professeur d'Harvard qui n'ait point assisté à la réception qui m'a été offerte. Lors de ses venues à Washington, à l'occasion de ses conférences à l'Alliance française, M. Morize n'est jamais venue rendre visite à cette Ambassade.

"Si donc l'attitude du Professeur André Morize ne justifie en rien une sanction, par contre elle justifie moins encore un satisfecit.

"J'attacherais le plus grand prix à recevoir des instructions à cet égard."

No. S-7

March 19, 1942

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following telegrams were sent by Darlan to Henri-Haye on March 17th:

"Comme suite à mes précédentes communications, je vous informe que j'ai fait connaître à l'Amiral Leahy que les très faibles livraisons de pétrole qui avaient pu être faites en Lybie, n'étaient que des livraisons qui avaient transité à travers l'Afrique du Nord mais qui, en réalité, provenaient des stocks entreposés par les Italiens en France métropolitaine, comme résultat de l'armistice.

"La quantité à livrer n'était d'ailleurs que de 3.100 tonnes sur lesquelles un reliquat de 1500 tonnes n'a pas encore été transporté.

"J'ai souligné à l'Amiral Leahy que la Commission d'armistice n'avait renoncé à ses anciennes prétentions concernant les livraisons qu'à la condition que le ravitaillement de l'Afrique française du Nord serait

effectué régulièrement. Or, il n'est que trop évident que ce ravitaillement a cessé depuis le mois de novembre, en sorte que nous n'avions aucun argument à opposer aux demandes de la commission.

"A l'heure présente, les Etats-Unis nous demandent de n'effectuer d'Afrique du Nord, aucune livraison à destination d'aucun théâtre d'opérations. Sous réserve des reliquats restant à livrer et qui sont de très minime importance, nous en sommes très volontiers d'accord. Toute porte à croire que nous n'aurons aucune objection de la Commission d'armistice mais, bien entendu, à la condition que soit repris immédiatement le trafic d'ailleurs relativement minime, qui existait antérieurement entre les Etats-Unis et l'Afrique française du Nord.

"Une contre-partie est naturellement nécessaire pour justifier aux yeux de la Commission d'armistice la position que nous prenons, à savoir que nous répondons aux désirs exprimés par les Etats-Unis.

"Vous marquerez, lorsque vous verrez M. Sumner Welles, le souhait du gouvernement français de voir proclamer définitivement et clairement la garantie de sécurité et

le statu quo de nos possessions de l'hémisphère occidental, ainsi que celui que celui de voir cesser les attaques de la presse et de la radio, dirigées contre la France et son gouvernement."

Two: "Les campagnes de fausses nouvelles au sujet de la prétendue livraison de 40 navires de guerre à l'Allemagne, de l'installation d'équipages allemands sur nos navires à Toulon, et enfin de l'ouverture d'écoles d'aviation en zone libre destinées aux pilotes allemands, ont eu pour origine l'Agence soviétique Tass et la radio de Moscou.

"Je vous prie de bien vouloir me signaler toutes les marques d'activité soviétique dans le même ordre d'idées ainsi que toutes les manifestations de propagande et de diffusion de fausses nouvelles accomplies aux Etats-Unis par les Soviets, et concernant la France."

The following message has been received by Vichy from the Ambassador:

"Je suis informé par l'Ambassadeur du Brésil que 40 avions américains à destination du Brésil doivent survoler la Guyane française.

"Avant de donner les visas qui me sont demandés pour les pilotes et équipages de ces avions, je vous prie de vouloir bien me faire connaître d'urgence si ce nombre d'avions est bien conforme aux accords intervenus entre la France, les Etats-Unis et le Brésil, à ce sujet."

No. 342

March 19, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a summary of the Weekly General Directive issued by the British Ministry of Political Warfare:

Policy:

- (a) Avoid reference to Japanese threat to Russia in Far East.
- (b) Avoid reference to Japanese threat to Madagascar.

Strategy:

(a) Russia. Due to marked Russian progress, in several sectors promising situations seem to be developing. The cutting of the Leningrad-Novgorod railroad increases the threat to German positions south of Moscow. The capture of Dorogobush by parachute troops and partisans provides an important point of origin for Russian advance south of Vyasma. Stress Russian counter offensive continues with increased

violence and that German counter attack has not been successful on any part of extensive front. Inquire why German communiques made no reference to the plight of a large portion of the 16th Army cut off and surrounded near Staraya Russa or why they failed to acknowledge Russian capture of elaborately fortified stronghold of Yuhnov.

(b) Far East:

(1) Java. Japanese completed conquest of Java where allied forces received no reinforcements after attack started. Lack of aircraft made it impossible for inferior allied forces to rest or regroup, thus hastening the collapse of organized military resistance.

(2) Timor. Imperial troops are still waging bush warfare in the interior.

(3) New Guinea. Salamoia and Lee now in hands of the Japanese. The Japanese objective is capture of Port Moresby and domination of Torres Straits.

(4) Burma. Our forces are falling back slowly on Prome. The Japanese are also advancing northward toward Toungoo. A Chinese division has arrived

just north of Toungoo. Other important Chinese units are in the vicinity of Maymo and moving southward from Lashio.

Propaganda Policy:

We must not permit our European audience to feel that we are discouraged by Japanese successes or we have lost our grip on situation. Demand is for efficiency, equality of sacrifice and ruthless treatment of everyone who acts in a manner contrary to the public interest. We must convince Europe that we are as much a part of that continent as we felt ourselves to be in the dark days of 1940. Our influence on Europeans is dependent upon the conviction we can inspire in them that our thoughts are not overseas in oceans and lands strange to their minds and needs.

No. 343

March 20, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

From: William J. Donovan

The following is a report from our New York office covering the highlights of the week's war on the propaganda front. It is based on recording of broadcasts on short-wave heard at FCC's listening posts in Washington and Portland, Oregon, the National Broadcasting Company's listening posts in Los Angeles and New York, the Columbia Broadcasting System's listening posts in San Francisco and New York, on medium wave broadcasts recorded by the British Broadcasting Corporation and by our own monitors.

Propaganda developments of the week must be against a psychological background of mounting expectancy and anxiety.

WAIT UNTIL SPRING.

For months the Axis has been talking about the Spring. It has prophesied grandiose victories that will follow the unleashing of Axis might in Russia, the Near East, or elsewhere, when the snow begins to melt in the North. In the Far East, a relatively quiet period of military preparation has been filled by Japan with alarms on the impending downfall of Australia and India. On our side, we have been telling the world of vast preparations, not only for defense, but for attack.

We have spoken of huge convoys of troops and planes to Australia, of reinforcements to the Near East by air and sea, of reinforcement of the British Isles. We have said that our best defense must be attack. We have stressed the production of fighting planes and fighting ships. We, too, have promised action in the spring.

But in the military areas, the big pushes have not yet been revealed. The Russian advance is heartening, but slow. The war of sea and air is a story of slow attrition along the American Atlantic Coast and of sharp but inconclusive raids in the South Pacific and the Mediterranean.

Spring is now at hand, and everywhere men and women are waiting. In Dresden, in Vienna, and in Tuscany, people have been noting the lengthening of the days and awaiting the first triumphant announcements of the drives for a final victory. The harried people of France and Yugoslavia and Norway have been watching the snow in the valleys begin to turn to slush, hoping almost against hope that the illegal radio will bring news at last that their anti-Axis friends have launched the offensives that will turn the tide of battle. In China, England, and Russia people are waiting. In Latin America they are waiting to see how the odds will lie, and in New York and Topeka and Toronto, people feel the warmth of the sun and glance eagerly at their newspapers, torn between hope and fear.

Against the background of this prevailing mood of tenseness and expectancy, the announcement of MacArthur's removal from the Philippines to high command in the southwest Pacific was electrifying.

Here was a first-class war hero, and our first in this war. To the people of the world he was no paper General, but one who had been tried in a stubborn and heroic battle against great odds. He was well-identified, even in the mountains of Serbia and the plains of Poland. He was, moreover, an American, and as such was free of the stigma of defeats and withdrawals associated with other military leaders of the United Nations. And, as an American, he symbolized the new and growing power that had been thrown on the scales with America's entry into the war.

Here was a story bound to have a maximum effect upon an expectant world hungry for positive news from the United Nations. We played it hard on all programs in news and commentary. Our tone was triumphant. We pointed out that President Roosevelt had ordered MacArthur's transfer with Australia's endorsement, and that the move by no means meant the abandonment of the struggle in the Philippines.

By the afternoon of the same day (Tuesday) we were able to announce the successful repulse by General Wainwright of a sharp Japanese offensive at Bataan. The Wainwright note was climactic, because it not only offered proof of continuing American resistance, but dramatically began the building into a headline character of another American General in the actual arena of battle. Since then, in color and background stories and in our "Victory for the Philippines" Program, we have endeavored to present Jonathan Wainwright in still larger dimensions.

We followed the first MacArthur announcement with reports of the enthusiasm with which the news had been received at home, in London, Australia, and throughout the world. We reported expressions of satisfaction by the Brazilian and Mexican ambassadors.

At the same time, in order to prevent extravagant expectations which the announcement of the new commands of Generals MacArthur and Brett was in danger of creating, we avoided any promise of immediate offensive action in the Southwest Pacific and emphasized the problems of communication with Australia. But we used Major Eliot's line, "If this is not victory, it is at any rate the assurance of victory."

AXIS REACTION TO MAC ARTHUR ANNOUNCEMENT:

From the propaganda point of view, the MacArthur story was offensive, and the Axis reply to our initiative was therefore awaited with interest. We anticipated the Axis by preparing in advance, a list of the lines which we believed the Axis would take. The President did much to neutralize in advance the Axis line in this country by anticipating what it would say at his press conference on Tuesday.

We were not disappointed. Beginning with some uncertainty Tuesday night with a straight news report, the Axis for the next two days heavily featured the move as "Flight, cowardice, and desertion, reminiscent of the flights of Generals Wavell and Bennett." Axis comments on MacArthur increased in novelty and fancy as the hours passed. For example, the Axis said the "flight" was intended to prepare Americans psychologically for the fall of

Corregidor. MacArthur's appointment as Commander-in-Chief in the Southwest Pacific was explained as showing the shortage of capable American generals, as proof that Britain has lost Australia to the United States, and as evidence that the United States is giving Australia a failure as a general instead of material aid.

We tried to retain, during subsequent days, the advantage of the psychological lift which the MacArthur story had given us. We, therefore, stressed military preparations in Australia under MacArthur, President Roosevelt's request for more than 17 billion dollars for the Army, and Donald Nelson's report that plane production was 50 per cent higher than at the time of Pearl Harbor. We were aided by the announcement that 23 Japanese ships had been sunk or badly damaged at New Guinea, a report which we played heavily on all broadcasts. The name of MacArthur had a magic that vitalized everything around it, and we therefore found reason to continue to mention it from day to day.

BATTLE OF THE JAVA SEA

The effect of the MacArthur announcement was particularly fortunate because only three days before, on Saturday, we gave the world a summary of the not-so-cheerful joint British and American naval communique on the Battle of the Java Sea. We handled this as straight news, following it, however, with a commentary by Hanson Baldwin in which he said that the United States Asiatic Fleet had always been known as a suicide fleet, and that the remainder of the American fleet was intact and wanted revenge.

REVENGE

The Axis reply to our communique was that it was old stuff announced by Tokyo and other Axis stations ten days before. In other words, the Axis seized the occasion to plug Axis short wave radio as a source for speedy and reliable news. Rome, however, suggested that the Anglo-Americans put out the communique to excuse their inability to aid Australia, and Tokyo proposed a tendentious name for the battle, "The Jutland of West Asia."

THE HITLER SPEECH

A major effort of Germany on the world propaganda front was Hitler's address of last Sunday at the Heroes' Memorial Day celebration at Berlin. Unable to attend the Nazi party day meeting at Munich late in February because of his preoccupation with plans for an offensive in Russia, Hitler found it expedient to come to Berlin in Mid-March to make a speech.

As not all of the speech was broadcast, and as the texts of German-language broadcasts were different, we were not certain what he said. But we knew that Hitler is all things to all men, and we believed that the speech was to be viewed primarily as a part of the current Nazi Anti-Bolshevik campaign designed to frighten Europe and enlist help in a coming offensive against the Red Army.

We therefore handled the speech briefly and derisively, but mentioned it on virtually all programs during the day. Unlike certain American newspapers that printed columns of Hitler's remarks on

Bolshevik-Jewish-plutocratic warmongering, which could hardly be called news by any definition, we extracted for broadcast the following points: That Hitler flatly predicted the Russian Army would be defeated this summer; that this was the same army Hitler had "annihilated" last Fall; that the speech was full of petulant complaints about the cold weather in Russia, the Riom trial, and the unexpected strength of the Russian Army; and that the victory he promised was the same victory he promised last year. We remarked that only Hitler could have made the implications in the speech because anyone else would have been arrested by the Gestapo. As soon as it was available, we followed our highlights on the speech with Sumner Welles' statement that the speech betrayed evidence of Hitler's own belief in his inevitable downfall.

On the same programs we gave equally heavy treatment to the triumphant arrival of an American submarine in Australia after sinking 60,000 tons of Japanese shipping and to a tribute by Marshall Pierce to the fighting power of American aircraft.

THE RED MENACE

There is nothing subtle or devious in the stepped-up Axis drive to prove to its satellites and to the world that Russia is greedy for the land of Europe and the Near East and that the United Nations are becoming bolshevized. That the drive is a part of spring military strategy is clear. This strategy may involve Turkey and the Near East. That the anti-Red campaign is intended to alarm neutrals on ideological grounds (as in Latin America) and certain anti-Communist groups in Allied or neutral countries is also obvious.

During the past week the Axis has hammered hard on the theme that Iran has been handed to the Soviets by the British, and that the entire Eastern frontier of Turkey is controlled by the Red Army. The Arab world has been told that the Young Shah of Iran is believed murdered by the Bolsheviks. In medium wave broadcasts to Eastern Europe, Berlin even speaks of Turkey as being threatened with "encirclement" and in danger of a "Soviet stab in the back". Moreover, the Axis speaks of Soviet designs on Iraq, Scandanavia, the Baltic States, South Africa, and India.

INDIA

We have had little to say directly in reply to this campaign. On the days of greatest Axis activity on the Iran-Iraq-Turkey theme, our mention of Russia was a heavy play of Red Army advances in the Leningrad, Smolensk and Kharkov areas. On Thursday, however, we broadcast a short item from a Teheran newspaper, "Istilahat" which attacked German and Italian radio stations for trying to create ill feeling between the occupation forces of the Russians and British on the one hand and the Persians on the other. We also broadcast a quotation from the Russian Khabarovsk radio that "these reports are nothing but inventions and lies, for there were no troop movements or any other events between Iran and Iraq, in connection with the U.S.S.R. and Great Britain."

The special significance of the Istilahat statement is that it was broadcast by the Ankara radio, implying Turkish approval. In general, however, we have ignored the anti-Red drive in the Near East.

UNILATERAL PROPAGANDA

There have been other major subjects of propaganda interest during the week that have been stressed by one side and slighted by the other. To Tokyo's continuing talk of harmony and progress in greater East Asia, we have so far been able to offer little that would indicate native resistance, although we have broadcast whenever possible reports of continuing scattered guerrilla fighting by remnants of troops in the Dutch East Indies and the Philippines.

On the other hand, we continued to give heavy emphasis to signs of want and weakness in European Axis countries and to suffering and resistance in the occupied countries of Europe. Typical of our line of attack on Germany was a commentary contrasting the conditions of labor in the United States with those of labor in Germany. We called attention to the high death rate in Greece caused by executions, mistreatment, malnutrition, and starvation. We reported rebellious activity in Scandinavia and the Baltic countries, and we gave wide circulation to the report that the dead German ace Moelders was a martyr to his religious beliefs.

Again, the Axis has yet made no direct reply to our strong emphasis of Anti-German agitation in Latin America caused by sinkings of Latin American ships. At the beginning of the week we made frequent mention of anti-Nazi rioting in Brazil. Later we stressed the resentment of Chile and Uruguay at the U-boat sinkings of their merchant ships. We reported student riots and the retaliatory confiscation of Axis shipping. Also in line with

a policy of presenting a united Pan-American front against the Axis, we announced the signing of a Lend-Lease agreement with Venezuela, and called attention to Japan's flat rejection of Argentina's request to send food to allied prisoners at Hongkong. The Axis replied with the familiar general denunciations of American weakness and imperialism, but avoided mention of the specific sinkings.

POSITIVISM VS. REVERY

Heartening this week has been our emphasis upon accomplishments rather than future prospects. We said that American convoys had arrived in Australia, not that they would be sent. We reported production of war goods ahead of scheduled goals instead of issuing figures on how much we would produce in the future. We announced the sinking of many units of the Japanese fleet, not promises that they would be sunk when we finally went into action. The MacArthur story, too, was given a positive slant.

We told the world about the third Selective Service drawing on Tuesday, comparing the potency of this new reservoir of 9 million men with the effectiveness of the smaller draft army of 1918. We quoted Vice President Wallace's statement that "all signs indicate that the summer of 1942 will be a repetition of the summer of 1918.. With the Axis making one last desperate all-out attempt."

In a hard-hitting "Fight for Freedom" script released yesterday, we quoted statements made by Admiral Raeder and others in Germany in 1941 that England's position was hopeless and that any help for England from abroad must come too late, and then showed the similarity of such statements with the words of German military leaders at the time of America's entry into World War I.

We recalled that Admiral Tirpitz said in 1916 that "America's entry into the ranks of our enemies will not provide England with any decisive help," and that as late as January, 1918, he said that "America's military aid is and will remain a phantom". Similar opinions by Hindenburg, Admiral Von Capelle, and Ludendorff were cited, as well as the statement by Oskar Hergt, Prussian Minister of Finance, that "The Great Army across the ocean cannot swim, it cannot fly--it will not come". And Hindenburg's tribute to the Americans was recalled "These people understand war. The gentle voices must be stilled until the hard task is performed. People of all kinds and classes feel themselves thoroughly one in the fight for an ideal."

The Tirpitz description of America's military aid as "phantom" is virtually identical with Tokyo's statement on Tuesday that "large convoys from the United States to Australian shores are purely imaginary and exist only in the mind of American propaganda writers."

While Tokyo scoffed, we were reporting eyewitness accounts of convoy movements in the South Pacific and troop landings in Australia.

AXIS DEFENSIVE TACTICS

Notably visible during the week were signs of an Axis defensive strategy in radio propaganda, a sign of the effectiveness of American positivism. Much of the Axis effort was given to contradicting our claims or belittling them.

"Our convoys were imaginary". While admitting the presence of American troops in Australia, Greenland, Iceland and Ireland, Rome called them "ridiculous caricatures of soldiers" whose performance under fire had never been tested. Our shattering the Japanese vessels at New Guinea was reduced by Rome to the sinking of three American submarines. Still harping on Eden's charge of Hongkong atrocities, Toyko continued to produce counter-atrocities, this time the discovery of a poison gas factory at Bandung.

A defensive tone also may be detected now in the line of the three powers on India, while we broadcast a report of Madame Chiang Kai Shek's message to India, and described Colonel Johnson's mission to expand India's production of war weapons.

Frantically insistent is the Axis that our reports on American production are lies. With Spring on the way and the sands of time running out, the three powers are trying to prove that our shortages are acute, our industrial system is bogging down, and our output of munitions, ships and planes trifling. A major purpose of such a line, besides giving the lie to our broadcasts, is to assure the Axis countries and uneasy neutrals that America's vaunted help will never arrive.

The Axis plays this line with special force to the peoples of Europe, which has suggested to one of our analysts that a major purpose may be to show that the Axis has trimmed us down to size, and that the peoples of occupied countries are not the only ones who are suffering.

Still more interesting is the possibility that the Axis is destroying its own potent propaganda line which for years has stressed the contrast between the have-nots and the haves. By insisting upon our shortages and deprivations, the Axis may not be making "haves" of Germany and Italy, but it may surely be making a "have-not" out of a country which it has always pointed out to the little people of the world as the ultimate example of a bloated, greedy, selfish, soft, and inhumane plutocracy. As far as the Japanese propaganda line is concerned, indeed, Japan has already become a "have" and the United States a "have-not".

No. 344

March 21, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a summary of German Home propaganda. It emphasizes:

"(a) The war will last a long time.

"(b) Bolshevik armies will be destroyed this summer or at least will be thrown back to where they will be harmless.

"(c) The Fighting in Russia continues to be bitter but ultimate victory is guaranteed by the collapse of the British Empire in the Far East.

"(d) America is waging a mere war of words and unable and unwilling to play a decisive military role in the Far East.

"(e) Britain is irrevocably sliding toward Bolshevism or defeat.

"1. Practically no news of fighting in the Philippines. Markedly decreased news of other Pacific fronts. A noticeable reduction in attention to victories of the Japanese

but increase in attention to collapse of British Empire with subthemes deploring 'folly' of Americans and British who are held responsible for the plight of white races in Asia. Intimation that Germany is preparing itself to become the representative in the Far East.

"2. British and American assistance to Australia considered 'empty talk' as Japs already control Pacific and Indian Oceans, no matter how long actual conflict lasts 1942 has already decided final issue of the Far Eastern War.

"3. Increasing attention Anglo Saxon's loss of sea power and control of lines of naval communication, also lack of shipping space after destruction of 16,000,000 tons. Alexander repeatedly is quoted as stating 'British Fleet is passing through the most serious crisis of its history.' Petzold said American shipbuilding program of 1942 achieve not more than 3,500,000 instead of 8,000,000 tons. Shipping between Australia and India reported stopped. Brazil cut off shipping with North America. Shipping between America and Argentina fallen 75% since the beginning of the war.

"4. Considerable attention to India to which Britain

desperately vainly making insincere promises.

"5. Menzies repeatedly quoted as stating 'The British Empire is nearer its downfall than it had ever been dreamed'. Eden 'atrocious offensive' is offered as sign of British desperation."

No. 345

March 21, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the British Ministry of Information Weekly Guidance:

"The importance of the Middle Eastern and Russian fronts should be persistently and constantly emphasized as most vital as the only ones where the Allies can deliver a knockout blow in the fairly near future.

"Note that in spite of its special role in the Pacific, the United States is giving priority to supplies for Russia. Act on the assumption that the Germans will begin their spring drive in mid-April to Early May.

"Bear in mind the possibility that the Japanese may attack Australian and Indian Ocean supply lines. In Madagascar the French Forces available are not in a position to defend against a determined attack even were French assurances to be taken at face value. Because our representative in Madagascar cannot communicate,

- 2 -

with us, we cannot provide information about what is happening there. Do not raise expectations of an Allied occupation.

"The Allies can discount and ridicule the Italian-German inspired stories of impending revolution and violent disagreements between Persia and the Allied governments. In fact the new government has made a good beginning."

No. 345

March 23, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the Home Intelligence Report for the week ending March 16 and comes to us from our London office.

"Although a calmer note noticeable last week in public feeling is still apparent, now it is reported to be 'crystallizing into an unsatisfactory state in which a lack of depression and urgency bordering on apathy appears predominant.' There continues to be a sense of bewildered frustration and with it an absence of inspiration and a certain aimlessness. From two regions uncertainty as to the ultimate purpose for which we are fighting is reported; neither members of the service nor the civilians know the aims for which they are sacrificing their lives and labor.

"Efficiency of Russia and Germany contrasted with our own dilatory muddling. Majority voice a rising demand for a bold policy ending conviction that country is having

to drive its government instead of looking to it for leadership, and for stronger action at home and abroad.

"However, there appears lessening of interest in Cabinet personalities. Though some sections there seems to be a feeling that Churchill no longer has quite the same grip on the people, confidence in him still remains. It is felt that 'vigorous control' is needed now. There are indications that public mood is beginning to reflect a note of 'Cromwellian' austerity, expression being found in the demand that further sacrifices be imposed. Let them tell us, not test or ask us. Reference is made by twelve regional intelligence officers to approval by the public of new restrictions on waste paper, petrol, etc. These are considered the first steps in a general belt tightening.

"A widespread welcome is accorded Cripps' mission to India. It is 'an act of first class statesmanship.' However, this eleventh hour mission only faintly allays the apprehension for India's safety. There is some feeling that the effort will have come too late even though Cripps is hailed as 'the man of the moment! A minority seems disappointed that India has not already been granted

dominion status. Some disappointment that Cripps should be absent from the home front even for a short time is expressed. The feeling that Cripps, 'before he gets too popular,' has been sidetracked safely and gotten out of the way is reported by five regional intelligence officers.

"Far East deterioration is met with a resignation which borders on fatalist indifference. For the time being at least continued disasters are accepted as inevitable. The people being so prepared for bad news from the Far East accepted news of naval losses off Java with no surprise. Little discussion of the event is reported by five regional officers. This is considered 'a heavy blow and serious defeat' however. Unvarnished, prompt and factual report from the Admiralty was much appreciated. A deep feeling of humiliation was produced by Rangoon's fall. Stand in Burma was reason for slight increase in confidence in this theater of operations. There was little discussion but some speculation and anxiety for Australia.

"Throughout the country, Regional Intelligence Officer's report continued admiration for Russia and confidence that

she will ultimately be victorious. The tendency to compare Russia's achievements with British set back continues. According to Postal censorship 'a majority of writers seem to pin their faith on Russia almost entirely, the chaps who don't talk but keep on killing Huns'. We would win this war in half the time if we had some of the Russian spirit and some of her generals.

"Considerable satisfaction was roused over the indications that the promised air offensive is being put into effect. The bombing of France was approved. People continue to feel satisfaction over the 'coming out' of army officers, and hope that it will be extended to the Home Guard -- 'full of blimps'

"Public is still dissatisfied with broadcasting and news presentation. There is an increasing tendency to expect that our own announcements will confirm enemy communiques after a few days."

THE UNDER SECRETARY OF STATE
WASHINGTON

March 25, 1942

Personal and
~~CONFIDENTIAL~~

DECLASSIFIED
By ~~APR 1974~~

CIA

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BY ~~APR 1974~~

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Dear Bill:

The report has reached me today -- and I only trouble you in the matter because the source seems to be reputable -- that your office has actually some ninety agents operating in Mexico.

You and I agreed some months ago that the office of C.O.I. would not send agents to any of the other American Republics unless you and I had a prior understanding with regard to this question.

I was absent in Rio de Janeiro some three weeks during January and it may be that during my absence from Washington an arrangement was entered into which superseded the understanding which you and I had. If so, I have, however, not been informed of it. Will you let me know what the facts may be.

My best regards to you, and believe me

Yours most sincerely,

/s/ Simner Welles

Colonel William J. Donovan
Coordinator of Information
Washington, D. C.

March 26, 1942

Honorable Sumner Welles
Undersecretary of State
Washington, D. C.

Dear Sumner:

I have your letter. The agreement we made still stands. The story you refer to is absurd and the source, whatever it is, is entirely unreliable.

With best regards.

Sincerely,

William J. Donovan

THE WHITE HOUSE
WASHINGTON

March 26, 1942.

MEMORANDUM FOR THE
ACTING SECRETARY OF STATE:

What do you think?

F.D.R.

Donovan's No. 347, March 26th.

NO. 347

March 26, 1942

8:30 A.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Bill Bullitt asked me yesterday to meet with him and the Archduke. Otto's request is this: that he be permitted to interview at White Sulphur Springs, or any place that might be designated, the former Hungarian Consul in New York, one Megyesy.

The purpose of this meeting is:

- (a) To give Megyesy certain messages to Otto's personal representative in Hungary (this personal representative is the husband of Jim Gerard's sister-in-law) for the purpose of initiating talks with members of the Hungarian government (the Prime Minister and the Minister of the Interior), in order to prevail upon them to change sides at the acceptable time.
- (b) To build up an Information Service between Hungary and this country through Switzerland.

Also, Otto would like to have the opportunity of an interview with you before he sees the Consul.

I will be grateful if you will let me know what you wish done.